



CITY OF
GRAND
RAPIDS

FY 2024

Annual Comprehensive Financial Report

City of Grand Rapids, Michigan | Year Ended June 30, 2024

About the cover:

Downtown Grand Rapids aerial view – second largest metropolitan area in Michigan. Photo by SNEHIT PHOTO

This aerial photograph of downtown Grand Rapids beautifully captures the city's dynamic blend of history and modernity. Dominating the skyline is the **JW Marriott**, a sleek, contemporary luxury hotel, with 23 stories and significant meeting spaces, symbolizing Grand Rapids' embrace of the future. Nearby, the **Amway Grand Plaza**, a testament to historical preservation and innovation, showcases its restored 1913 Pantlind Hotel façade juxtaposed with a striking glass tower added in 1981 and renovated in 2021. The **Grand Rapids Public Museum**, with its rich history dating back to 1854, anchors the cultural landscape, reflecting the city's dedication to education and scientific exploration. The **Grand River**, Michigan's longest river, weaves through the city, embodying its industrial roots and significance during the logging boom that shaped Grand Rapids as "Furniture City." Adding to the charm and functionality of the cityscape are the four visible bridges—the **Gillett Bridge**, **Pearl Street Bridge**, **Blue Bridge**, and **Fulton Street Bridge**—spanning the river and connecting the community. Together, these elements paint a vivid picture of Grand Rapids as a city where past, present, and future harmoniously converge.

City of Grand Rapids, Michigan

**Annual Comprehensive Financial Report
Year Ended June 30, 2024**

**Prepared by:
Comptroller's Office
Charles M. Frantz
Comptroller**

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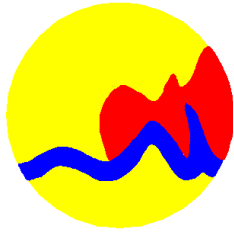
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CITY OF GRAND RAPIDS

December 12, 2024

Honorable Mayor Rosalynn Bliss, City Commissioners, and Residents of Grand Rapids:

I am pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Grand Rapids, Michigan (the City) for the fiscal year ended June 30, 2024 with the Independent Auditor's Report, submitted in compliance with Michigan State Law. State law requires that within six months of the close of each fiscal year local governments publish a complete set of financial statements presented in conformance with accounting principles generally accepted in the United States of America (U.S. GAAP) and audited in conformity with generally accepted auditing standards by a firm of licensed certified public accountants. This ACFR meets state law requirements.

The Office of the City Comptroller assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

Plante & Moran, PLLC, independent auditors, has issued an unmodified, "clean" opinion on the City's financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City was incorporated on April 2, 1850. On August 29, 1916, the people of Grand Rapids voted to adopt a Home Rule Charter that abolished their old alderman system and replaced it with a Commission-Manager form of government that, with amendments, is still in effect today. The City Commission has seven elected, non-partisan commissioners, with two commissioners from each of the three wards and a seventh commissioner elected at large who serves as the Mayor. The City Comptroller is elected at-large and serves as head of the City's Auditing Department and, with the assistance of the staff members in the Office of City Comptroller, is responsible for monitoring the financial activities of the City Commission and all City departments. Terms of all the elected offices are four years, with three commissioners and either the Mayor or Comptroller elected every two years. The City Manager is appointed by the City Commission to serve as the City's chief administrator and is responsible for the coordination of all City departments and execution of City Commission policies and programs. A seven-member Library Board is elected at large and is responsible for the operations of the library system. All other boards, such as the pension, building authority, and other component unit boards, have a majority of members appointed by the City Commission.

The City provides its citizens with a full range of services. The City separately tracks revenues and expenses for these services in four broad categories based on activity type: governmental funds, business-type funds, component unit funds, and fiduciary funds.

Governmental funds provide services including police, fire, street lighting, trash and recycle collection, storm water collection, street maintenance, libraries, and parks and recreation. These activities are paid for through income and property taxes, charges for services, and other general revenue sources such as revenue sharing from the State of Michigan or grant monies from the state and federal governments. These revenue sources do not have a direct relationship between the amount the taxpayer pays and the amount of benefits received from the service. That is, the taxpayer may pay income and property taxes, which are used to fund the fire department whose presence may reduce property insurance rates, but the taxpayer may never need to call on the fire department. In addition to services primarily for city residents, the City's Traffic Safety Department is responsible for the maintenance of traffic signals throughout Kent and eastern Ottawa County using funding from many jurisdictions.

The City also provides **business-type activities** which include the water and sewer systems, parking services, cemeteries, Belknap Ice Arena, and Indian Trails Golf Course. The water and sewer systems provide service to over 81,000 water and 76,000 sewer retail customers in the City and suburban communities, as well as wholesale service to communities that operate their own municipal water and sewer systems. The Parking System operates over 7,000 off-street and 2,750 on-street parking spaces. These services are similar to a business enterprise and are intended to be funded solely by charges and fees. The revenues from these services can only be used to provide these services.

Besides governmental and business-type activities, the financial reporting entity includes **component units**. Component units are legally separate entities for which the primary government is financially accountable. The following component units are incorporated into the City's Annual Comprehensive Financial Report on either a blended or discrete basis:

- Grand Rapids Building Authority (GRBA)
- City of Grand Rapids General Retirement System
- City of Grand Rapids Police and Fire Retirement System
- City of Grand Rapids General, Police, and Fire Retiree Other Post-Employment Benefit (OPEB) Plans
- Corridor Improvement Authorities (CIAs)
- Grand Rapids Brownfield Redevelopment Authority (Brownfield)
- Grand Rapids Downtown Development Authority (DDA)
- Grand Rapids SmartZone Development Authority (SmartZone)
- Grand Rapids Tax Increment Financing Authority (TIFA)
- State of Michigan 61st District Court

Blended component units, although legally separate entities, are part of the primary government's operations and are included as part of the primary government. Accordingly, the activities of the GRBA have been blended within the primary government's activities included in the Parking System and various capital projects and debt service funds of the City of Grand Rapids. The City of Grand Rapids General and Police and Fire Retirement Systems and General, Police, and Fire Retiree OPEB Plans have been reported as pension and other employee benefit trust funds within the fiduciary funds.

Discretely presented component units are segregated from the primary government in the government-wide financial statements. This emphasizes that they are legally separate from the primary government. The DDA, TIFA, SmartZone, Brownfield, 61st District Court, and CIAs are reported as discretely presented component units.

The City of Grand Rapids and County of Kent Joint Building Authority (JBA), the Convention Arena Authority (C/AA), and the Grand Valley Regional Bio-solids Authority are also legally separate entities. These three joint ventures, two with Kent County and one with the City of Wyoming, are summarized in Note 1 but are excluded from the financial statements.

Fiduciary funds are used to track resources that are held by the City in a trustee or agency capacity for others and which therefore cannot be used to support the City's own programs. Fiduciary fund assets include property taxes collected by the City Treasurer for other units of government as well as the investments of the defined benefit pension systems, and OPEB trusts providing retiree health care benefits.

The City is a significant economic presence in the region. This year the City spent approximately \$455 million on governmental and proprietary services. The City is a service organization, so its single largest expense is payroll costs, but as is true most years, about 20 percent of the total outlay went into improvements and additions to the City's capital assets, primarily street, public safety vehicles, water and sewer infrastructure. This organization continues to recognize that the short-term savings from deferring maintenance is small compared to the future costs created by failing to maintain infrastructure assets.

Approximately 52 percent of the City's governmental revenues are derived from the City income tax and local property taxes. A temporary income tax increase approved by the voters on May 4, 2010 expired on June 30, 2015. On May 6, 2014 the voters extended that increase for 15 years with the resulting revenue restricted to the repair and rebuilding of the City's streets and sidewalks. As a result of this temporary increase the income tax rate for residents and businesses is 1.5 percent and the income tax rate for non-residents is 0.75 percent. Income tax revenue for fiscal year 2024 increased 3.2 percent from fiscal year 2023 to \$136.8 million; and revenue from property taxes increased 10.2 percent to \$55.4 million.

The annual budget serves as the foundation for the City's financial planning and control. The annual budget process begins in November with instructions and rosters for personnel distributed to Internal Service Fund departments, followed by operating departmental proposals for service delivery and required financial resources, and culminates with a public hearing and subsequent adoption of the general appropriation act by the City Commission. The budget is generally prepared by fund (e.g. general). Each operating fund's budget is developed and presented within the context of a seven-year time frame beginning with the actual results in the most recently completed fiscal year and ending with the projected requirements five years in the future. A 5-year Capital Plan is also prepared. These multi-year presentations are designed to aid planning and understanding by revealing trends in revenues and expenditures. Department heads may transfer resources within the activities they manage. Transfers between departments, between funds, and above administrative amounts set by the City Commission need specific approval from the governing body. The City labors to meet its responsibility for sound financial management.

CITY'S FINANCIAL POSITION

The City currently maintains a stable financial position exceeding the level of financial reserves that is commonly recommended to permit a local government to handle normal economic fluctuations. The discussion that follows focuses on the local economy of West Michigan, as well as the City's long-run financial planning, current financial policies, and initiatives to move the City forward.

Local Economy

The City is the economic, governmental and cultural hub of West Michigan. Situated on the Grand River approximately 28 miles east of Lake Michigan and 66 miles west of Lansing, the state capital, the City encompasses an area of 44.4 square miles with a population of 196,608, making it the second most populous city in the state of Michigan and the 130th most populated in the United States. The City hosts federal courts for the Western District of Michigan, and is the county seat of Kent, which has a population of 663,788. The four-county Metropolitan Statistical Area (MSA) has a population of over one million while the Combined Statistical Area includes 1.4 million people (US Census, 2023).

The City boasts a diverse economy, hosting major industries such as health services; manufacturing; professional, scientific and technical services; administrative, support and waste management services; accommodation and food services; trade; finance and insurance; arts, entertainment and recreation; information; transportation and warehousing; real estate; education and utilities. Top employers in West Michigan include: Corewell Health, Meijer, Mercy Health, Gentex Corporation, Amway, Gordon Foods, Herman Miller, Steelcase, Perrigo, Grand Valley State University, Grand Rapids Public Schools and SpartanNash.

The local economy continues to outperform national trends having recovered from the pandemic. The City continues to host various nationally recognized events including Art Prize and Worlds of Winter. River revitalization continues to be a focus as the City continues multiple projects along the river in 2024, including expansion of the Grand Rapids Public Museum the redevelopment of Lyon Square, and an outdoor amphitheater, which when completed will host a variety of concerts and events. The Grand Rapids unemployment rate decreased slightly from 3.7 percent in June of 2023 to 3.4 percent in June 2024. Income tax withholding payments during the first half of 2024 were trending upward approximately 8 percent over last year. Construction activity has resumed back to normal as many projects delayed by the pandemic were completed while many new projects started. As with the rest of the country, the City continues to deal with challenges related to supply chain issues and inflation. Building permit requests have increased within the last year, leading the City to evaluate staffing needs to ensure smooth permitting processes for developers and residents. Assessment values continue to rise steadily year over year for real, commercial, and residential properties. New construction and redevelopment continue both downtown, in the parks, and in the neighborhoods as the City continues to revitalize.

In fiscal 2022, the City was awarded \$92 million through the American Rescue Plan Act of 2021. Per U.S. Department of Treasury guidance, eligible costs must be obligated by December 31, 2024 and expended by December 31, 2026. As of June 30, 2024, the City has reported total expenditures since acceptance of award of \$46.2 million and the total amount obligated is \$62.7M. Areas of targeted spending include emergency sheltering for unhoused persons, homeless outreach programs, various affordable housing projects, support for neighborhood/community outreach programs, and youth services. The City continues to evaluate the use of ARPA funds to ensure compliance with federal requirements.

The Grand River feeds into Lake Michigan, the City's source for its water system. The City of Grand Rapids continues to meet or exceed all the requirements of the Safe Drinking Water (SDWA). Additionally, PFAS levels in Grand Rapids water system are well below safety standards.

Public Safety is a high priority for the City and its Departments. The Grand Rapids Police Department increased recruitment efforts to achieve nearly full staffing, continued its Data Informed Community Engagement (DICE) Initiative to focus on crime prevention, and successfully completed numerous large-scale police operations in a very active year for campaign events. The Department supported the Co-Response Mental Health team, which resulted in 185 emergency department diversions, 300 EMS diversions, and 109 jail diversions. Since Co-Response started in July of 2022, they have deployed their services on over 2800 calls and have connected 2300 people to mental health and/or substance abuse resources. The Grand Rapids Fire Department maintained their Center for Public Safety Excellence accredited status by demonstrating its compliance with all core competencies and stated standards of the Quality Improvement for the Fire and Emergency Services Manual. Additionally, the Fire Prevention Division established the GRFD Fire Prevention Foundation, a Michigan nonprofit charitable organization supporting fire prevention activities within the community.

The City continues to work towards its best-in-class carbon reduction goals for municipal operations: 85% reduction by 2030 and net-zero by 2040. Based on 2020 data, City staff calculated that the City had reduced its own emissions by 45% when comparing performance against its baseline year of 2008. These goals and performance exceed the Paris Climate Accord targets. The City also became the first municipality in the state of Michigan to join the Consumers Energy Renewable Energy Program which enables customers to match 100% of their energy use with cost-effective wind and solar power. This commitment underscores the City's dedication to environmental stewardship and supports our goal of powering all municipal operations with renewable energy by 2025 and beyond.

The City has received the Michigan Green Communities Network gold certification for funding its environmental sustainability projects including the Vital Streets Initiative, and Feet on the Street recycling education program. The City's E.H.Zero residential renovation pilot, which seeks to increase health, financial and energy efficiency outcomes for residents, served 10 homes in partnership with the Community Development department. Additionally, the City secured Wege Foundation and EGLE grant funding to increase staff capacity to address both municipal energy goals and increase climate education and engagement.

The City within the Larger Economy

West Michigan, as well as the entire state of Michigan, has a long tradition as a manufacturing driven economy, exporting products, particularly furniture, across the country and around the globe. Michigan's economy was hit particularly hard in the late twentieth century as manufacturers were lured away from their historic roots by a combination of lower labor costs, investment incentives and access to previously closed markets. The local economy is adapting to the global economic shifts by increased focus on manufacturing excellence, life science discovery and technological innovation. The following industries are driving the growth of the Grand Rapids region: Smart Manufacturing, Information Technology, Life Sciences, Food Processing, and Aerospace and Defense.

Long-Term Financial Planning

Efforts have been underway to invest funds into the City's parks. After the conclusion of a 7-year parks millage in 2021, the residents of Grand Rapids approved a permanent millage to provide dedicated funding to the City's parks, pools, playground, and recreational operations. Additionally, complete reconstruction of City streets continues in addition to rotomilling, resurfacing and repairing roads to reach a goal of 70 percent of streets in good or fair condition by 2030; a significant source of funding having been provided by the 15-year income tax extension approved by voters in 2014. Having received the generous support of taxpayers and the benefits of a growing economy, the City can continue looking toward the future for opportunities.

The City continues to adopt annual budgets within a framework of a five-year budget projection that alerts the organization to potential future financial problems that may be created by decisions made currently. Current projections for the General Fund show deficits in the last four years of the projections, within the ability of current fund balances to cover; but a potential negative trend that needs to be monitored and reassessed to ensure the organization continues to live within its means.

Relevant Financial Policies

The City Commission adopted the current fund balance policy which complies with GASB 54 requirements. This policy established five classifications (non-spendable, restricted, committed, assigned, and unassigned) of fund balances for the general fund and all special revenue funds. The classifications comprise a hierarchy based on the extent to which the City is bound to honor constraints on specific purposes for which amounts in those funds can be spent. The five classifications are further categorized into two groups, **restricted** (non-spendable and restricted) and **unrestricted** (committed, assigned, and unassigned). This policy states specifically that the General Operating Fund will maintain an unassigned balance equal to 15 percent of its expenditures. The Budget Stabilization Fund, as allowed by Public Act 30 of 1978, was reopened in fiscal year 2013 with a goal of holding an additional 10 percent of General Fund Expenditures in preparation for the next economic downturn. For financial reporting, this fund is consolidated with the General Fund as required by GASB 54. The combined funds achieved the desired total fund balance of 25 percent of expenditures during fiscal year 2024. The unassigned fund balance of the General Fund ended the current year at 42.4 percent and the Budget Stabilization Fund ended at 9.6 percent of fiscal year 2024 General Fund expenditures.

Major Initiatives

As previously mentioned, the City continues a major effort to repair and reconstruct street infrastructure made possible in part by the voter approved income tax increase enacted in May 2014. Achieving the goal relies in part on adequate support from the State in future years including gas and weight tax receipts used to maintain streets. The repair efforts were jump-started using financing from three bond issues, one of which was repaid in October 2017, and the remainder to be paid by future income tax receipts over the next several years. Using the Pavement Surface Evaluation and Rating (PASER) system, approximately 56.42 percent of the streets are at Good or Fair condition.

Among the phase III goals of the Transformation Plan is creating more sustainable assets through Asset Management. Beginning in fiscal year 2019 and continuing each subsequent year, the replacement of substantial portions of the aging Street Lighting System, with new equipment, new wiring, and Smart Technology including wireless communications to control, monitor, and troubleshoot 18,000 LED streetlights. Continuing Asset Management is a key driver increasing system safety, reliability and decreasing operational costs paid by the General Fund.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grand Rapids for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023; an award the City has received annually since 1985. In order to be awarded a Certificate of Achievement, a governmental unit must publish a user-friendly and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. Such reports must satisfy both U.S. GAAP and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe our current report conforms to the Certificate of Achievement program requirements and we are submitting it to the GFOA for consideration.

The City also received the GFOA's award for Distinguished Budget Presentation for its budget document for the fiscal year beginning July 1, 2023. The receipt of this award marks the thirty-fifth consecutive year the City has been honored by the GFOA for distinguished budget presentation. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operating guide, as a financial plan and as a communications medium.

Lastly, the City received the GFOA's award for Distinguished Popular Annual Financial Reporting Award for its Resident's Guide, a summary of the City's financials, for the fiscal year ended June 30, 2023. This is the first year the City has submitted for this award. The award was created to encourage state and local governments to extract information from their Annual Comprehensive Financial Report to produce a high-quality summarized report readily accessible and easily understandable to the general public.

ACKNOWLEDGEMENTS

The timely, orderly preparation and completion of this report is made possible by the hard work and dedication of the staff in the Office of the City Comptroller. I appreciate the extraordinary commitment and contributions of the Comptroller staff and all City of Grand Rapids employees and departments that support this report.

Respectfully submitted,



Charles M Frantz
City Comptroller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

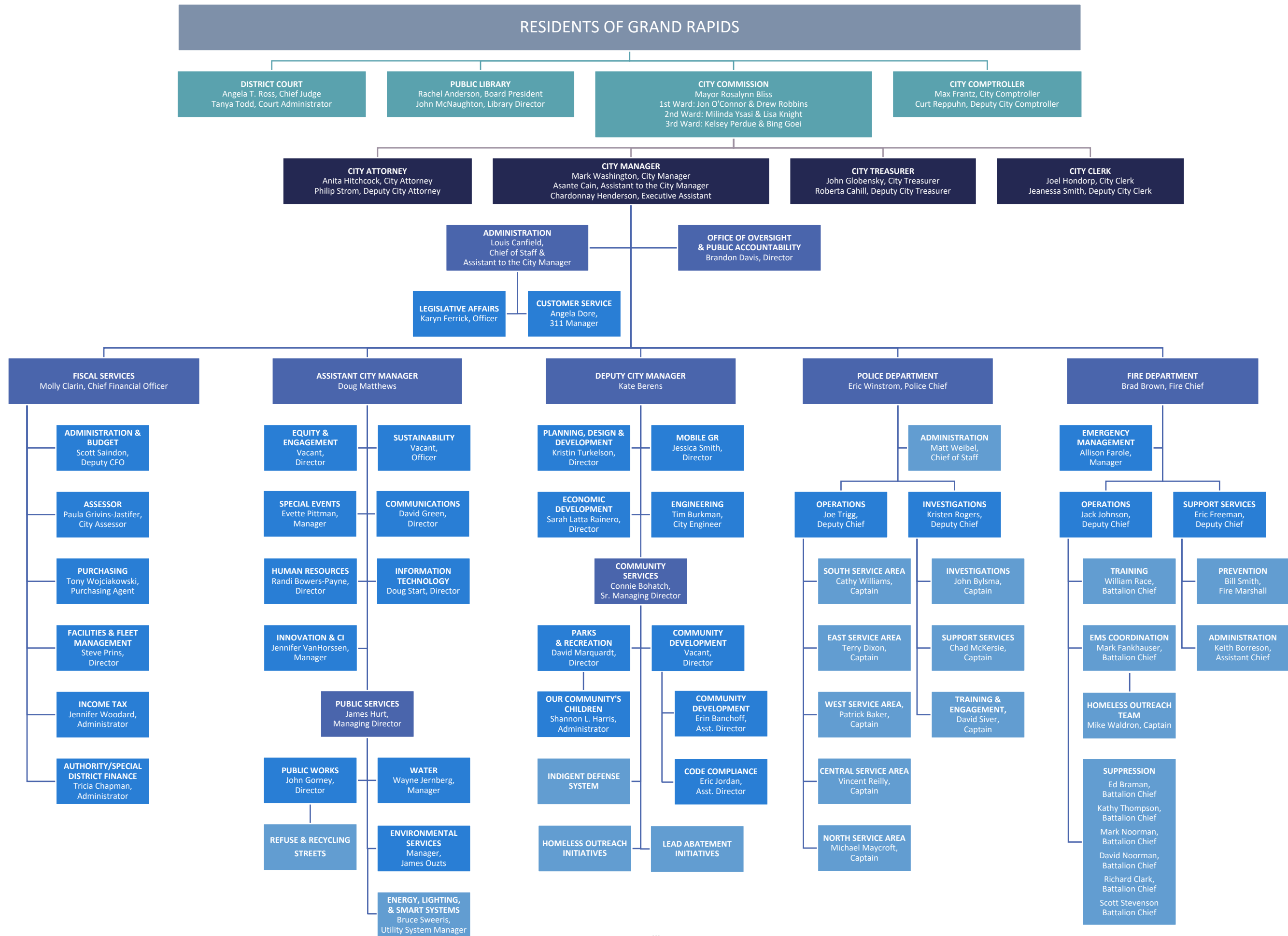
**City of Grand Rapids
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



**Principal Officials of the City of Grand Rapids, Michigan
As of June 30, 2024**

Elected Officials

Mayor	Rosalynn Bliss
Commissioners	Jon O'Connor Drew Robbins Milinda Ysasi Lisa Knight Bing Goei Kelsey Perdue
Comptroller	Charles M. Frantz

Appointed Officials

City Manager	Mark Washington
City Attorney	Anita Hitchcock
City Treasurer	John M. Globensky
City Clerk	Joel Hondorp

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Independent Auditor's Report

To the Honorable Members of the City Commission
City of Grand Rapids, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Rapids, Michigan (the "City") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City of Grand Rapids General Retirement System as of and for the year ended June 30, 2024 and the City of Grand Rapids Police and Fire Retirement System as of and for the year ended December 31, 2023, which represent 93 percent of the assets, 92 percent of the net position, and 39 percent of the revenue of the fiduciary funds. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Grand Rapids General Retirement System as of and for the year ended June 30, 2024 and the City of Grand Rapids Police and Fire Retirement System as of and for the year ended December 31, 2023, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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To the Honorable Members of the City Commission
City of Grand Rapids, Michigan

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, major fund budgetary comparison schedules, schedules of changes in the City's net pension and OPEB liabilities and related ratios, schedules of pension and OPEB contributions, and schedules of OPEB investment returns be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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To the Honorable Members of the City Commission
City of Grand Rapids, Michigan

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



December 12, 2024

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As the management of the City of Grand Rapids (the "City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the information contained in the letter of transmittal, which is found in the introductory section of this report.

Financial Highlights

- The net position for the City is the amount by which the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources. At June 30, 2024, net position totalled \$1,020,969,656. The unrestricted portion of this amount, \$167,514,106, may be used to meet the government's on-going obligations to citizens and creditors, consistent with the purpose in which the funds were accumulated.
- During the current fiscal year, the net pension liability decreased by \$3,463,905 and the net OPEB liability decreased by \$6,579,048. The net pension liability decrease is primarily related to the positive return on investments as of the June 30, 2023 and December 31, 2023 measurement dates for the plans used in the liability determination as of June 30, 2024. The OPEB liability decrease is primarily a result of differences between expected and actual experiences (i.e. health care costs) and changes in assumptions.
- The City's total net position increased by \$103,173,877 during the fiscal year. Governmental activities increased net position by \$54,083,784 driven by increases in City tax receipts and charges for services offset by increase in governmental activities expenditures. Business-type activities increased net position by \$49,090,093 driven by positive operating results in Water Supply System, Sewer Disposal System and Parking System funds.
- At June 30, 2024, the City's governmental funds reported combined fund balances of \$338,301,216, an increase of \$115,353,801 from the previous year. A total of \$5,509,271 of the fund balance for governmental funds is *nonspendable*, and the fund balance of \$121,838,678 is *restricted* as to purpose by an outside party, which means \$210,953,267 is available for spending at the City's discretion, but only within the purpose of the individual funds where the fund balance is located. Only the *unassigned* fund balance of the Governmental Funds, a total of \$78,361,443 at June 30, 2024, is available to use for any purpose.
- In fiscal year 2011, the City Commission established a policy that the General Fund's unassigned fund balance should be 15% of current expenditures, including transfers-out. The unassigned portion of the fund balance of the General Fund totalled \$78,361,443 at year-end; an increase of \$11,595,809 from the previous year and 42.4% of 2024 General Fund expenditures. The unassigned fund balance at the end of the year was \$50.6 million above the fund balance policy. The Commission also created a Budget Stabilization Fund with a policy goal that it holds 10% of current General Fund expenditures. That goal was first achieved in fiscal year 2016. State law requires this be held in a separate fund to better control its use, but accounting standards dictate its presentation be blended as part of the General Fund. The current balance of 9.6% of current General Fund expenditures is presented as \$17,798,835 in committed fund balance within the General Fund.
- The total debt of the City and its component units increased by \$73.2 million as a result of various debt issuances. A schedule of the City's long-term obligations can be found in Note 6 of the notes to financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three sections: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This annual comprehensive financial report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

Management's Discussion and Analysis (Continued)

The *statement of net position* presents information on all the City's assets, liabilities, deferred outflows of resources and deferred inflows of resources, with the difference between the four categories reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that resulted from cash flows in prior years or will result in cash flows in future fiscal periods (e.g., depreciation and amortization, changes in pension liabilities, and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, and urban and community development. The major business-type activities of the City are the Water Supply System, Sewage Disposal System, and the Parking System.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also ten legally separate authorities and a court system, for which the City is financially accountable. They are a Downtown Development Authority, a Tax Increment Finance Authority, a SmartZone Authority, a Brownfield Redevelopment Authority, six Corridor Improvement Authorities, and the 61st District Court. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government wide statements can be found on pages 21-24 of this report.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements.

The basic governmental fund financial statements can be found on pages 25-26 and 28-29 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers will better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide reconciliations to facilitate this comparison between *governmental funds* and *governmental activities* on pages 27 and 30.

The City maintains four major and twenty-one non-major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and all major special revenue and capital project funds. Data from the non-major governmental funds are combined in a single column presentation on the governmental fund statements. Individual fund data for each of these non-major governmental funds is provided in the *combining statements* section of this report on pages 124-127.

Management's Discussion and Analysis (Continued)

The City adopts an annual appropriated budget for most of its governmental funds. Throughout the year, the budget is amended based on changing conditions (e.g. the award of a grant). Budgetary comparison statements have been provided in the required supplementary information section of this report for the major funds to demonstrate compliance with this budget. The budgetary comparison schedule on page 121 shows the general fund budget at the department level, which is where it is legally adopted. Budget comparison statements have also been provided for the non-major special revenue funds on page 128.

Proprietary funds: The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water Supply System, Sewage Disposal System, Parking System, Cemeteries and Belknap Ice Arena. *Internal service funds* are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Information Technology, Motor Equipment System, Facilities Management, Insurance Payment, Engineering, and 311 Customer Service Funds. These internal service funds have been allocated to both *business activities* and to *governmental activities* in the government-wide statement of activities.

Proprietary funds use the full accrual basis of accounting which includes capital assets with depreciation and long-term liabilities. The focus is on the full cost of funding services. The proprietary fund financial statements provide separate information for the major enterprise funds of the City. The non-major enterprise funds and the internal service funds are each combined into a single, aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 31-35 of this report.

Individual fund data for the non-major enterprise funds and internal service funds are provided in the *combining statements* section of this report, pages 129-135.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City uses fiduciary funds to account for its pension trusts, other post-employment benefit trusts and agency tax funds.

The basic fiduciary fund financial statements can be found on pages 36-37 of this report with important additional detail on pages 138-139.

Notes to the financial statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-101 of this report.

Other information: In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information* regarding the budgetary comparisons of the City's general fund and the major and local street special revenue funds as well as multi-year schedules of funding for the City's defined benefit retirement and OPEB programs. This supplementary information is found on pages 102-119 following the notes to financial statements.

At the end of the report, on pages 142-162 are various statistical tables containing information presented to assist the reader in further evaluating the financial information and the overall financial position of the City by showing current information in a multi-year context.

Management’s Discussion and Analysis (Continued)

Government-wide Financial Analysis

	City of Grand Rapids' Net Position					
	Governmental Activities 2024	Governmental Activities 2023	Business-Type Activities 2024	Business-Type Activities 2023	Total Primary Government 2024	Total Primary Government 2023
Current and other assets	\$ 546,060,808	\$ 418,140,773	\$ 247,413,010	\$ 204,490,242	\$ 793,473,818	\$ 622,631,015
Capital assets, net of accumulated depreciation	347,898,721	329,911,948	931,192,888	923,247,042	1,279,091,609	1,253,158,990
Total Assets	893,959,529	748,052,721	1,178,605,898	1,127,737,284	2,072,565,427	1,875,790,005
Deferred outflows of resources	77,072,289	104,188,833	13,183,662	14,733,310	90,255,951	118,922,143
Current liabilities	110,606,735	116,454,417	17,111,012	15,906,629	127,717,747	132,361,046
Non-current liabilities	468,969,383	396,862,991	485,651,967	493,128,796	954,621,350	889,991,787
Total Liabilities	579,576,118	513,317,408	502,762,979	509,035,425	1,082,339,097	1,022,352,833
Deferred inflows of resources	45,163,083	46,715,313	14,349,542	7,848,223	59,512,625	54,563,536
Net investment in capital assets	277,970,021	267,551,294	487,844,587	479,521,033	765,814,608	747,072,327
Restricted net position	53,228,965	42,092,769	34,411,977	34,186,978	87,640,942	76,279,747
Unrestricted net position	15,093,631	(17,435,230)	152,420,475	111,878,935	167,514,106	94,443,705
Total Net Position	\$ 346,292,617	\$ 292,208,833	\$ 674,677,039	\$ 625,586,946	\$ 1,020,969,656	\$ 917,795,779

Total net position at June 30, 2024 was \$1,020,969,656, an increase of \$103,173,877 from the net position at June 30, 2023 of \$917,795,779.

The City’s current and other assets increased by \$170,842,803 or 27.44%. Governmental activities saw a \$127,920,035 increase in current and other assets attributable to increase in equity in pooled cash and investments and increase in receivables. Business type activities saw a \$42,922,768 increase in current and other assets primarily due to an increase in equity in pooled cash and investments.

Total deferred outflows of resources decreased by \$28,666,192 during the year. The decrease was primarily due to net difference between projected and actual earnings on pension plan investments for both the General and Police & Fire Plan. See Note 7 Pension Plans on pages 75-82 for additional information.

The total liabilities of the primary government increased 5.87% or \$59,986,264. Current liabilities decreased \$4,643,299 or 3.51%. Non-current liabilities increased \$64,629,563 or 7.26%. The non-current liabilities increase was primarily related to the issuance of various new long-term debt.

Total deferred inflows of resources increased by \$4,949,089 during the year primarily due recording of new lessor agreements.

By far, the largest portion of the City’s net position (76.7%) is its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Restricted net position represents resources that are subject to external restrictions on how they may be used. The City’s restricted net position is primarily restricted for debt service and authorized capital projects. The remaining balance, *unrestricted net position* \$167,514,106, may be used to meet government’s on-going obligations to citizens and creditors consistent with the purpose of the fund containing the assets. Only the \$78.4 million of the General Fund’s *unassigned* fund balance shown on page 25 is freely available or transferable to support the operations of the General Fund or of any other fund. As noted on page 4, the ending unassigned fund balance is \$50.6 million more than the target goal in the fund balance policy.

Management’s Discussion and Analysis (Continued)

Capital Asset and Debt Administration

	City of Grand Rapids' Capital Assets (net of depreciation)					
	Governmental Activities 2024	Governmental Activities 2023	Business-Type Activities 2024	Business-Type Activities 2023	Total 2024	Total 2023
	Land	\$ 30,982,310	\$ 27,379,201	\$ 15,198,826	\$ 14,706,068	\$ 46,181,136
Easements/Right of Way	1,709,536	1,679,745	4,019,175	3,728,274	5,728,711	5,408,019
Land improvements	29,942,344	31,275,544	10,408,136	11,272,330	40,350,480	42,547,874
Buildings and structures	53,621,388	55,898,537	95,704,251	96,731,925	149,325,639	152,630,462
Storage tanks	-	-	10,309,275	10,872,122	10,309,275	10,872,122
Machinery and equipment	19,550,466	18,586,597	146,196,228	149,321,838	165,746,694	167,908,435
Motor vehicles	25,530,087	24,513,458	1,301,426	1,948,840	26,831,513	26,462,298
Furniture	545	2,524	6,446	6,681	6,991	9,205
Software	-	-	-	-	-	-
Water and sewer mains	-	-	627,826,925	612,878,992	627,826,925	612,878,992
Infrastructure	129,838,318	116,725,369	-	-	129,838,318	116,725,369
Lease assets	78,275	24,945	3,140,455	2,130,498	3,218,730	2,155,443
Subscription assets	1,860,089	3,114,156	1,395,293	-	3,255,382	3,114,156
Construction in progress	54,785,363	50,711,872	15,686,452	19,649,474	70,471,815	70,361,346
Total	<u>\$ 347,898,721</u>	<u>\$ 329,911,948</u>	<u>\$ 931,192,888</u>	<u>\$ 923,247,042</u>	<u>\$ 1,279,091,609</u>	<u>\$ 1,253,158,990</u>

Capital assets: The City’s investment in capital assets for its governmental and business type activities as of June 30, 2024 amounts to \$1,279,091,609 (net of accumulated depreciation). This investment in capital assets is summarized above. The City’s new investments in capital assets for the current fiscal year (before disposals or depreciation allowances) totalled \$93 million. Major capital asset events during the current fiscal year included the following:

- Water Supply System additions and improvements, including completed construction in progress projects, were placed in service at a cost of \$21,062,351 during the year ended June 30, 2024. Construction in progress on additional projects not completed as of June 30, 2024 totalled \$9,883,101.
- Various Sewage Disposal System additions and improvements, including completed construction in progress projects, were placed in service at a cost of \$6,670,924 during the year ended June 30, 2024. Construction in progress on additional projects not completed as of June 30, 2024 totalled \$3,743,756.
- Rehabilitation or reconstruction of major and local streets were completed at a cost of \$5,942,101.
- Assets owned by others that the City has the right to use have been segregated in accordance with GASB Statement No. 87 *Leases*. The total such assets included as capital assets for its governmental and business type activities as of June 30, 2024 amounts to \$3,218,730.
- The City obtains the right to use vendors’ information technology software through various long-term contracts. These subscription assets have been segregated in accordance with GASB Statement No. 96 *Subscription-Based Information Technology Arrangements (SBITA)*. The total such assets included as capital assets for its governmental and business type activities as of June 30, 2024 amounts to \$3,255,382.

Additional information on the City’s capital assets can be found in note 5 of the notes to the financial statements.

Management’s Discussion and Analysis (Continued)

City of Grand Rapids' Outstanding Debt						
Limited Tax Bonds, Revenue Bonds and Long-term Contracts						
	Governmental Activities 2024	Governmental Activities 2023	Business-Type Activities 2024	Business-Type Activities 2023	Total 2024	Total 2023
Limited tax pledge bonds	\$ 112,855,000	\$ 34,930,000	\$ 685,000	\$ 19,715,000	\$ 113,540,000	\$ 54,645,000
Revenue bonds	11,060,000	13,055,000	387,925,223	388,404,480	398,985,223	401,459,480
Long-term contracts	9,135,000	9,690,000	10,102,114	218,199	19,237,114	9,908,199
Total	<u>\$ 133,050,000</u>	<u>\$ 57,675,000</u>	<u>\$ 398,712,337</u>	<u>\$ 408,337,679</u>	<u>\$ 531,762,337</u>	<u>\$ 466,012,679</u>

Long-term debt: At June 30, 2024 the City had total long-term debt outstanding of \$531,762,337. Of this amount, \$113,540,000 comprises limited tax full faith and credit general obligations. Limited tax full faith and credit general obligation bonds generally require the City to provide sufficient moneys from its general fund as a first budget obligation for principal and interest, including the collection of ad valorem taxes which the City is authorized to levy on all taxable property within its boundaries. Such tax levies, however, are subject to applicable statutory, constitutional, and charter tax limitations. As a practical matter the City pledges its limited full faith and credit on various debt issues to lower debt service costs paid by funds other than the general fund; e.g. the building authority, library, streets, etc. The remainder of the City's debt represents bonds secured solely by specified revenue sources and long-term contracts. These long-term contracts are general obligations of the City.

The City issued new debt totalling \$95.4 million associated with the Acrisure Amphitheatre project, 1500 Scribner construction, and the Lyon Square project as well as various projects in the Water Supply System.

The City's total bonded debt does not include the June 30, 2024 balance of the City of Grand Rapids and County of Kent Building Authority bonds of \$18,237,856 issued in 2001 to finance a substantial portion of the new DeVos Place Convention Center. The County of Kent has the sole responsibility for the repayment of this debt through their Hotel/Motel tax receipts and general assets. The City is not liable for the payment of principal or interest and therefore has excluded them from the financial statements.

All normally scheduled debt payments were made during fiscal year 2024. Additional information on the City's long-term debt can be found in note 6 of the notes to the financial statements.

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Management’s Discussion and Analysis (Continued)

Changes in Net Position

	City of Grand Rapids' Changes in Net Position					
	Governmental Activities 2024	Governmental Activities 2023	Business-Type Activities 2024	Business-Type Activities 2023	Total Primary Government 2024	Total Primary Government 2023
Revenue:						
Program Revenue:						
Charges for services	\$ 45,269,727	\$ 48,096,073	\$ 155,070,696	\$ 146,093,519	\$ 200,340,423	\$ 194,189,592
Operating grants and contributions	72,089,096	50,836,979	4,334,265	6,894,900	76,423,361	57,731,879
Capital grants and contributions	7,092,543	1,980,334	23,255,989	2,924,861	30,348,532	4,905,195
General Revenue:						
Property taxes	55,401,179	50,293,292	-	-	55,401,179	50,293,292
City Income taxes	136,795,880	132,473,827	-	-	136,795,880	132,473,827
Unrestricted state-shared revenue	29,658,114	28,470,105	-	-	29,658,114	28,470,105
Unrestricted investment income	18,385,277	1,938,943	8,272,973	2,000,298	26,658,250	3,939,241
Miscellaneous	2,202,361	1,330,882	635,622	1,178,132	2,837,983	2,509,014
Gain (loss) on sale of capital assets	-	21,662	-	-	-	21,662
Total Revenue	<u>366,894,177</u>	<u>315,442,097</u>	<u>191,569,545</u>	<u>159,091,710</u>	<u>558,463,722</u>	<u>474,533,807</u>
Expenses:						
General government	45,553,732	44,296,211	-	-	45,553,732	44,296,211
Public safety	124,984,242	122,775,160	-	-	124,984,242	122,775,160
Public works	79,704,901	63,939,716	-	-	79,704,901	63,939,716
Health and Welfare	7,161	-	-	-	7,161	-
Recreation and Culture	32,296,821	26,201,737	-	-	32,296,821	26,201,737
Urban & Community Development	27,533,282	23,498,676	-	-	27,533,282	23,498,676
Interest on long-term debt	3,138,069	2,046,625	-	-	3,138,069	2,046,625
Water Supply System	-	-	52,065,052	54,207,809	52,065,052	54,207,809
Sewage Disposal System	-	-	65,516,041	62,304,794	65,516,041	62,304,794
Parking System	-	-	20,862,013	20,854,865	20,862,013	20,854,865
Other Enterprises	-	-	3,628,531	3,371,820	3,628,531	3,371,820
Total Expenses	<u>313,218,208</u>	<u>282,758,125</u>	<u>142,071,637</u>	<u>140,739,288</u>	<u>455,289,845</u>	<u>423,497,413</u>
Change in Net Position before Transfers	53,675,969	32,683,972	49,497,908	18,352,422	103,173,877	51,036,394
Transfers	407,815	(886,036)	(407,815)	886,036	-	-
Change in Net Position	54,083,784	31,797,920	49,090,093	19,238,674	103,173,877	51,036,394
Net Position - beginning	292,208,833	260,411,113	625,586,946	606,348,272	917,795,779	866,759,385
Net Position - ending	<u>\$ 346,292,617</u>	<u>\$ 292,208,833</u>	<u>\$ 674,677,039</u>	<u>\$ 625,586,946</u>	<u>\$ 1,020,969,656</u>	<u>\$ 917,795,779</u>

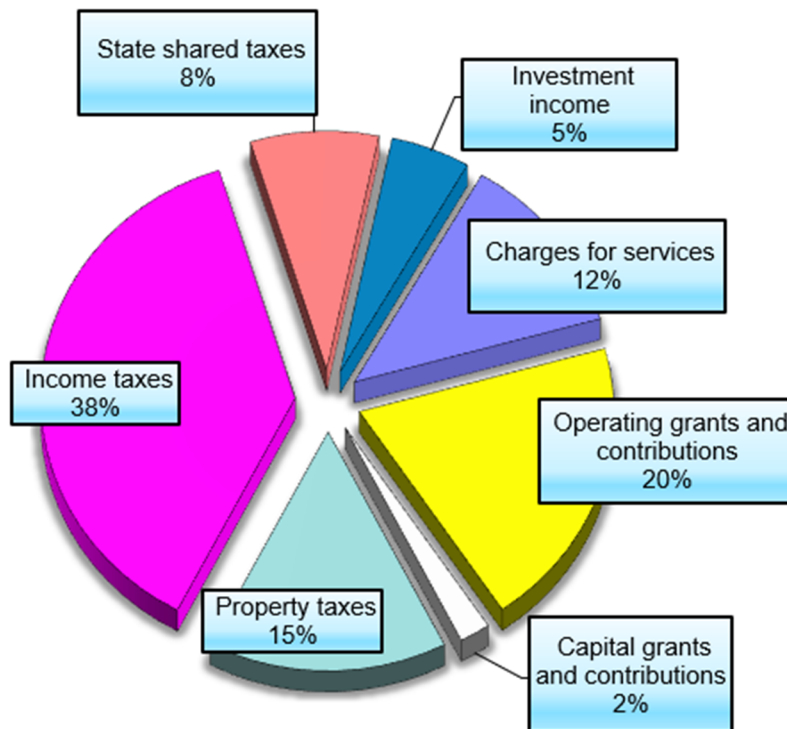
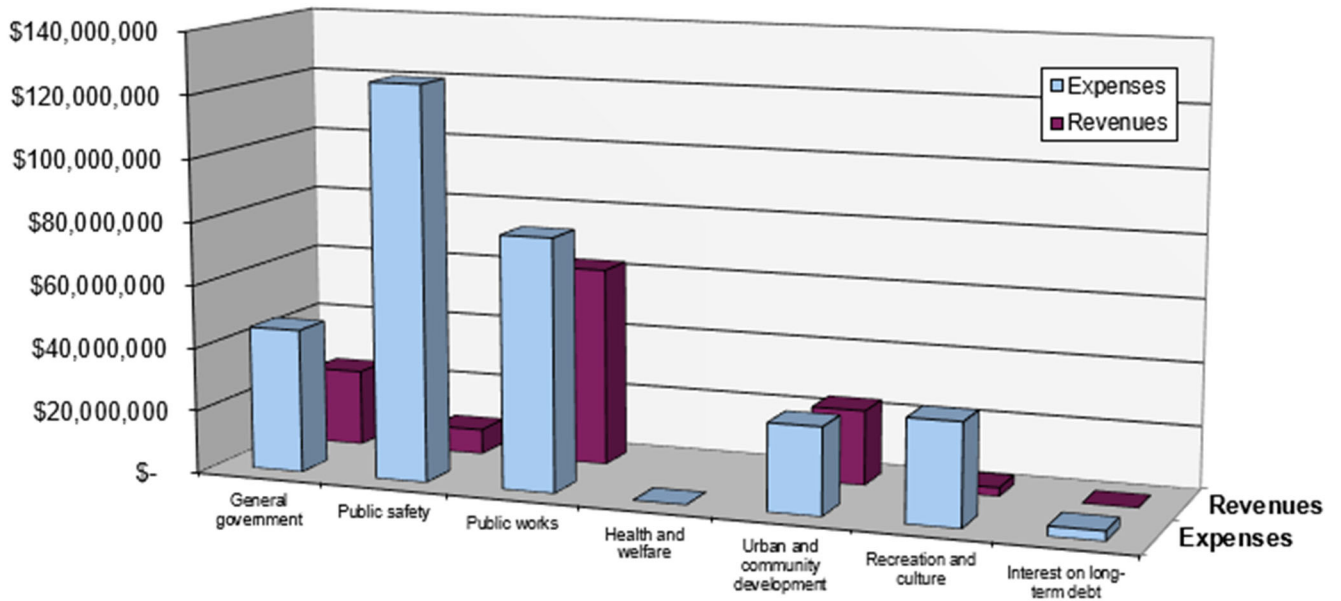
Governmental activities: Governmental activities increased the City’s net position by \$54,083,784. Key elements within this change are as follows:

- Tax revenues increased by \$9.4 million in fiscal year (FY) 24 due primarily to \$4.3 million increase in income taxes and \$5.1 million increase in property taxes.
- Public safety expenses, primarily police and fire department personnel costs, remain the largest single category of City spending.
- Public safety expenses increased \$2.2 million over the prior year. The allocation of non-cash pension expenses resulting from changes in net pension liabilities can be volatile. Changes in pension expenses and increase in personnel costs driven by negotiated contracts accounted for the increase.
- General Government expenses increased \$1.2 million from the prior year, primarily due to increase in personnel costs driven by negotiated contracts.
- Recreation and Culture expenses increased \$6.1 million. The increase is due in part to increased costs to operate library and park and recreation activities due to higher temporary labor contractual costs and inflationary impact on purchased goods and supplies as well as increases in capital improvements and upgrades.

Management’s Discussion and Analysis (Continued)

- Unrestricted investment earnings in 2024 were up \$16.4 million from the prior year. Rate of returns increased throughout the year in reaction to the Federal Reserve raising key interest rates. The City’s average purchase yield for investments held at June 30, 2024 increased 50% from average purchase yield for investments held at June 30, 2023. Governmental accounting standards require the City to adjust the portfolio to market values. Market value gains or losses are only realized when portfolio securities are sold.

Expenses and Program Revenues - Governmental Activities

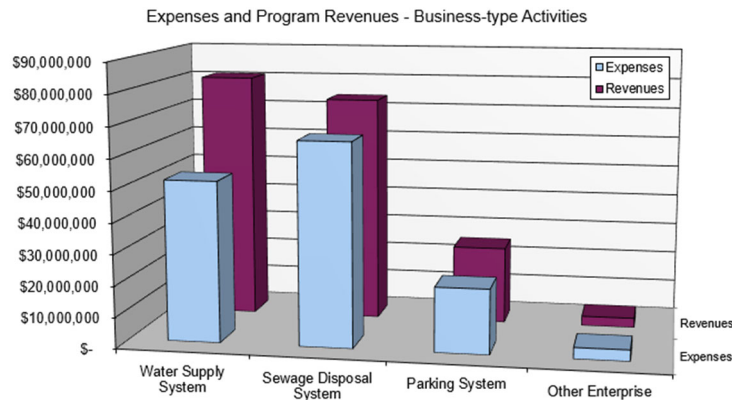


Revenues by Source - Governmental Activities

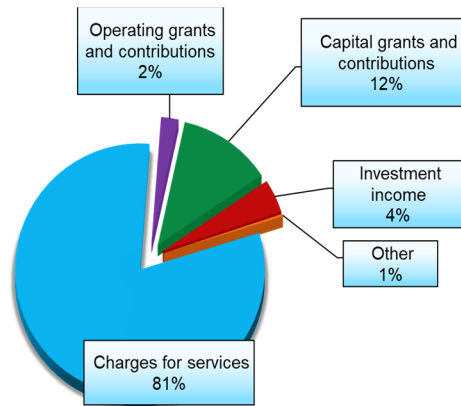
Management’s Discussion and Analysis (Continued)

Business-type activities: Business-type activities increased the City’s net position by \$49,090,093 in FY 24. The key elements of this increase are as follows:

- The Water System had an increase in operating income before capital contributions of \$11.7 million during the year, representing an increase of \$7.2M over FY 23. This was driven in part by the calendar year 2024 rate increase of 6.50%, which offset a slight decline of 2.81% in billed consumption volume, as well as growth in connection fees and the receipt of significant grant funding. Losses on investments from the prior year were reversed in FY 24 as well, resulting in a notable year-over-year gain. Operational expenses held relatively steady, although rising costs in field operations and at the Lake Michigan Filtration Plant did offset some of this year’s revenue growth.
- The Sewer System had an increase in operating income before capital contributions of \$8.0 million during the year, representing no significant change from FY 23. While billed consumption dropped by (3.77%) throughout the fiscal year, the calendar year 2024 rate increase of 1.33% helped to minimize the impact on revenue. FY 24 was the first full year of selling renewable identification numbers (RINs) credits related to the production of natural gas from the biodigesters, accounting for nearly all of the system’s revenue growth. Improving market conditions helped to pull investment gains back into the black as well. Revenue growth was offset by a parallel rise in expenses, however, as staff were hired to plug holes in the organizational chart and more assets were left as construction-in-progress (CIP).
- The Parking System had an increase in operating income before capital contributions of \$5.4 million during the year. This was primarily due to increase in off-street parking fees for daily, monthly and events and on-street rental of hooded meters.
- The three major funds were able to generate an operating margin sufficient to fund their current operating expenses and make all required debt service payments.



Management’s Discussion and Analysis (Continued)



Revenues by Source - Business-type Activities

Financial Analysis of the City’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City’s financing requirements. The change in total fund balance, less any non-spendable portion, indicates whether the City is accumulating or using resources that were available to support future activities.

As of June 30, 2024, the City’s governmental funds reported combined ending fund balances of \$338,301,216. Of this total, all but \$78,361,443 of unassigned fund balance has been spoken for in the sense that it is either non-spendable, restricted by an outside party, committed to identified projects by the City Commission, assigned to a specific fund or purpose prior to year-end, or a deficit in a governmental fund. A summary of restrictions by fund appears on page 99.

The General Fund is the primary operating fund of the City. At June 30, 2024, the fund had an unassigned fund balance of \$78,361,443. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represented 42.4% and 63.5%, respectively, of total fiscal year 2024 General Fund expenditures, compared to the unassigned and total fund balance representing 40.1% and 65.0% of fund expenditures a year earlier. The fund’s fund balance increased \$9,084,929 during fiscal year 2024. On the revenue side, income tax collection again outperformed expectations due to 10.3% increase in base revenue (compared with forecast of 6%; attributable to both wages and company profits).

As originally adopted, the General Fund budget anticipated an increase in fund balance of \$377,443. There are two primary factors comprising the approximately \$8.7 million difference with FY 2024 actual. The first factor is the increase in actual excess of revenue over expenses from original budget for reasons discussed in the preceding paragraph. Secondly, the original budget anticipated appropriation lapses, an assumption developed in recognition that the entire amount of an approved expenditure is generally not fully spent, of \$5.5 million whereas none were recognized during fiscal year 2024.

The Major Street Fund saw an increase of \$2,508,087 in fund balance, which is \$3.2 million more than anticipated from original budget. This is mainly due to an increase in income taxes and state-shared taxes of \$3.1 million.

The Local Street Fund saw an increase of \$615,593 in fund balance which is \$857,606 more than anticipated from original budget. This is mainly due to an increase in state shared taxes and total actual expenditures were less than budgeted.

Management's Discussion and Analysis (Continued)

The fund balance of the General Capital Construction Fund saw an increase in fund balance of \$83,917,666. This is due primarily to \$81.9 million increase in new debt issued and \$9.3 million increase in transfers in from the General Fund and internal service funds to support ongoing projects.

The City's non-major governmental funds saw an increase of \$19.2 million in fund balance. This increase is due primarily to \$8.4 million received from intergovernmental partners and other funds in advance of projects funded by grants with match requirements and vital streets and other streets capital projects.

Proprietary funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements. Unrestricted net position of the Water Supply System, Sewage Disposal System, Parking System and non-major enterprise funds at the end of the year amounted to \$137,900,989. The total net position for enterprise funds is \$660,157,553, the bulk of which are the assets used to provide services to customers. The major factors concerning the finances of the three major funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

During the year the general operating fund (GOF) budget increased by \$13,840,905. The changes were:

- \$7,000,000 was appropriated from American Rescue Plan Act (ARPA) funding for Enterprise Resource Planning Software (transferred to the FMS Fund).
- \$1,950,000 was appropriated for various Participatory Budgeting investments.
- \$75,000 was appropriated for a contract with the Dorothy A. Johnson Center for Philanthropy at Grand Valley State University for the purposes of continuing their work consulting with and assisting Participatory Budgeting project awardees.
- \$165,605 was appropriated from both Grand Rapids and Forest Hills Public Schools for a special election reimbursement.
- \$395,913 was re-appropriated to allow several departments to complete efforts begun in the prior fiscal year.
- \$50,000 was appropriated for additional City sponsorship of Art Prize 2024.
- \$114,273 in reserved funding was appropriated for transfer to the Grand Rapids Affordable Housing Fund for which the Grand Rapids Community Foundation serves as the fiduciary.
- \$350,000 to accommodate for the overage in the Police Department's budget due to increased overtime driven by position vacancies as well as increased software, and department-wide training and equipment needs.
- \$948,913 to accommodate for the overage in the Fire Department's budget due to increased overtime, supplies, and maintenance services.
- \$1,574,078 to hire a Fire Department recruit class.
- \$903,152 toward the payment of settlement costs related to the purchase of 1500 Scribner Avenue NW, 1600, 1632, and 1660 Turner Avenue NW.
- \$200,000 for the Code Compliance department's Lead Paint Inspection Program supporting Renovation, Repair, and Painting (RRP) program training and a rebate to property owners for lead-dust screening inspections for rental property certifications.
- \$330,679 for consulting services related to an employee Classification and Compensation Study managed by the Human Resources Department.
- \$31,169 for a public-facing community engagement software platform managed by the Communications Department.
- \$32,000 transfer to the Grand Rapids Children's Fund for expanded programming, equipment and supplies provided by the Parks & Recreation Department.

The adopted contingency budget was \$1,500,000, of which the following amounts were allocated:

- \$91,608 for the Police Department to add a Police Records Specialist to its permanent personnel roster in order to improve response time to Freedom of Information Act (FOIA) requests for reports and video.

Management's Discussion and Analysis (Continued)

- \$92,050 for the Police Department to add two additional Police Records Specialist positions to its permanent personnel roster in order to improve responsiveness, transparency, and accountability related to FOIA and subpoena requests as well as new legislation.
- \$935,080 to accommodate for the overage in the Fire Department's budget due to increased overtime, supplies, and maintenance services.
- \$31,412 for a portion of the acquisition and closing costs related to property located at 4024 Kalamazoo Avenue SE on behalf of the Fire Department for the development of a new fire station to enhance the level of service to the southeast portion of the City in the Third Ward.
- \$211,250 for Parks & Recreation Department forestry operations to address the backlog of Priority two pruning's.
- \$138,600 for the Office of Special Events (OSE) to purchase three sets of new bleachers for additional capacity and to replace two sets of the current bleacher inventory that are unsafe and unable to be repaired.

Actual departmental and other expenditures and transfers-out in the General Fund were \$6.7 million under amended appropriations, which included a budgeted appropriation lapse of \$5,500,000. This was primarily due to lapses in personnel, contractual services, and transfers-out. The personnel lapse was most significant in larger departments such as Police and Fire. Other non-personnel lapses were concentrated in a few departments including General Administration and Executive Office.

Budgetary basis revenues for the year ended June 30, 2024, were approximately \$15.6 million higher than the amended budget. There were several drivers of this increase including:

- Income Tax Revenue exceeded the budget by approximately \$12.9 million or 12.8% due to base revenue growth outperforming assumptions in both FY 2023 and FY 2024 (the City's forecasting methodology utilizes prior year actual results or most recent estimate as the current year starting point). In addition to base income tax revenue growth, FY 2024 compliance revenue exceeded the budget by approximately \$6.7 million or 100.8% (generated by addressing a backlog of income tax compliance work).
- ARPA grant revenue totaling \$3,645,227 million was lower than the amended budget by approximately \$4.3 million or -54.1%. The adopted budget included \$7.9 million of which \$1.4 million was appropriated for specific investments and an additional \$6.5 million was estimated for GOF revenue replacement. The majority of the budget variance is attributable to estimated revenue replacement that was not realized.
- Investment income exceeded the amended budget by approximately \$4.3 million or 108% due primarily to unbudgeted investment gains of \$3.8 million. Governmental accounting standards require the Treasurer's Office to mark the portfolio to current market prices on the City's financial statements. It is important to understand that unrealized gains and losses exist "on paper" only. Gains or losses in market value are only realized when portfolio securities are sold prior to maturity.
- Restricted contributions revenue totaling \$1,355,930 exceeded the amended budget by approximately \$1.2 million due to social equity non-compliance fees related to the licensing of cannabis establishments within the City. These fees were not budgeted as they are pass-through in nature and highly variable.
- Other revenues exceeded or were below the amended budget by a net amount of approximately \$1.6 million above budget including Property Tax (\$909,473) and Cannabis Tax (\$735,815).

The City has received funding totaling \$92,279,500 under the American Rescue Plan Act (ARPA) grant to support current operations as well as provide support in key focus areas. The State and Local Fiscal Recovery Funds compliance report through June 30, 2024, reflected obligations and expenditures of approximately \$62.7 million and \$44.9 million, respectively. A summary of the City's ARPA Funding and Investments is contained in the Fiscal Plan and periodic updates are provided throughout the year. This allocation of funding must be fully obligated by December 31, 2024, and fully expended by December 31, 2026. It is important to note that most outside funding, including ARPA, is one-time funding, which cannot sustain services for a prolonged period of time. While it does allow us to catalyze a new program or address a significant need in the short term, it is important to emphasize that services provided with these one-time funds are not sustainable long-term without alternative funding plans.

Management's Discussion and Analysis (Continued)

In April 2022, Guidehouse Inc. was retained by the City to provide consulting services related to the City's ARPA allocation. They provide eligibility assessments of potential ARPA projects, reporting assistance, and consultation for grant requirements. In November of 2023, a full-time grant management position was added to centralize the grant process, identify, track and pursue funding opportunities, provide internal capacity to manage ARPA funding, and support departments in grant writing, administration and support. This position has reduced the need for Guidehouse support, resulting in cost savings while developing in-house expertise throughout the city's departments. Support provided by this position has included: grant writing, grant consultation, grant training for staff, monitoring support, policy development, improved internal controls for grant funds, centralized support for the entire grant process, improved compliance with Commission grant policy, increased capacity to pursue funding opportunities, and immediate support for grant related issues or concerns.

Base Income Tax revenue was forecast to increase by 3.5% in FY 2024 (vs. FY 2023 actual) with compliance receipts totaling approximately \$9.9 million in the GOF. Compliance work attempts to identify and collect the backlog of owed prior year income tax payments from resident and nonresident individuals. FY 2024 base revenue actually grew at 1.7% (vs. FY 2023 actual) with compliance receipts of approximately \$13.3 million for an overall increase of \$3.3 million or 3.0% in the GOF compared to FY 2023 results. The FY 2024 budget assumed a 6% base income tax revenue increase in FY 2023 (actual FY 2023 base increase was 10.9%) followed by no increase in FY 2024 (forecast later revised upward to 3.5%). The budget was not amended to reflect the more positive, revised forecast. Income tax revenue exceeded the initial base forecast in FY 2024 (no increase) for the following reasons:

- Returns were up around eight thousand over the same period of the previous fiscal year.
- Strong growth in wages and other taxable income driven by inflation and other economic conditions.
- Withholding was up 4.93%.
- Assessment collection was up 20.64%.

Compliance revenue exceeded the forecast in FY 2024 for the following reasons:

- Large one-time corporation payments.
- Large one time Marijuana payments from businesses.
- Received State Extracts for multiple years.

The income tax forecast includes assumptions related to non-resident withholding and potential refunds attributable to non-resident allocation of income out of the City (and therefore, non-taxable by the City of Grand Rapids) as employees continue working from home. Adjusted citywide refunds totaled approximately \$13.8 million and \$15.8 million in FY 2023 and FY 2024, respectively. Non-resident payments were down by approximately \$932,000 over last year and non-resident refunds were down by \$2 million. Overall, withholding was up approximately 4.93% and assessment totals were up approximately 20.64%. Among other considerations, forecasts incorporate assumptions regarding the timing, depth and duration of potential economic downturns which could result in loss of income tax revenue due to higher unemployment (thereby shifting taxable wages to non-taxable unemployment compensation) as well as the potential for lower corporate profits.

Among the many uncertainties impacting the income tax growth rate is whether (or to what extent) the pandemic has spurred permanent change in the way companies do business. It has yet to be fully determined how many non-resident workers will return to full-time, in-office work. The City will continue to monitor this aspect of the income tax base and will adjust growth expectations accordingly as we learn more. In addition, the City continues to advocate for legislative change with respect to income tax revenue.

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets and Rates

The City Commission, top management, and fiscal staff considered many factors when preparing the fiscal year 2025 (FY 2025) budget. Once again, the City's strategic plan was employed to guide investments included in our Fiscal Plan. Progress requires strategic focus on outcomes, dedication, targeted investment, and transparent performance measurement that is data driven. Strategic planning harnesses the energy of an organization and directs it toward work that will achieve the highest priority outcomes. Reporting on results enables us to evaluate progress, understand the impact on outcomes and adjust as necessary. The Strategic Plan has served us well in good times and has proven even more valuable during times of economic uncertainty. Reliance on the Strategic Plan enabled development of a Fiscal Plan that is fiscally sustainable, remains focused on our values, continues progress toward outcomes, and emphasizes investments in community and economic growth.

FY 2025 is the nineteenth year that five-year operating budgets have been prepared. The provision of governmental resources and services must be done strategically, transparently and in a data-driven way that benefits all residents equitably. The \$690 million Fiscal Plan for FY 2025 is aligned with the City's Strategic Plan and consistent with the City Commission's policy direction. The FY 2025 fiscal plan provides the resources needed to continue accomplishing strategic objectives while making transformational investments that will define the future of Grand Rapids through its 175th anniversary year and beyond. The FY 2025 GOF budget achieves these objectives while growing by approximately 4.2% over the FY 2024 adopted budget.

The FY 2025 fiscal plan takes into consideration the future uncertainty and potential volatility of the economic and financial environment. Operating revenues have continued to grow but this growth is partially offset by decreased purchasing power of those revenues in the face of increasing costs for goods and services, along with extended project lead times and escalating labor costs. This forecast mismatch between the rate of revenue growth and the rate of expenditure growth just to deliver the same quality of services is a structural issue not fully within our control to remedy. We are able to use excess fund balance to help address this structural issue, but if not corrected, it may require that we decrease levels of service in lower priority areas. These same challenges mean the City has limited financial capacity to enhance services; therefore, the investments in the fiscal plan are strategic, focused ones anticipated to improve the quality of life in our community over the long term.

The prudent financial policies implemented after the 2008 recession positioned the City well for the current economic climate to absorb an array of challenges including supply chain issues, cost variability and higher borrowing costs. While most of the other funds' revenues have returned and are healthy, the General Operating Fund remains a concern in our fiscal outlook. The City must continue transformative change to help correct the running deficits in the General Fund estimated to extend across the five-year period. Absent ARPA revenue replacement, expenditures are projected to exceed revenues so without cost savings or revenue growth exceeding current expectations, this structure is unsustainable.

As the budgetary benefit of federal and state pandemic-era fiscal relief programs begins to fade, the City now faces the challenge of anticipated expenditure growth outpacing projected revenues. This change can be partially attributed to the loss of revenue replacement from the American Rescue Plan Act (ARPA), but it also is evident that the cost of maintaining existing services and levels of service has outpaced ongoing local revenue sources. There have also been program enhancements that were previously funded through ARPA and other COVID relief programs that the City has chosen to keep in place. Traditionally, user charges, fees and fines have supplemented general tax revenue to cover the cost of services; however, those rates have not increased as much as inflation and other costs associated with providing services. With the FY 2025 budget and fiscal outlook the City is evaluating services and proposes adjusting certain user charges, fees and fines to accommodate partial or total cost recovery to better fill gaps. We plan to evaluate various fee structures and cost recovery policies to support continued discussion and countermeasures to address the GOF structural issues in future budget years.

West Michigan remains well positioned relative to the broader U.S. economy, due to our region's diversified economy, relatively young workforce, and the community's ability to strategically plan future development. We are still experiencing some supply chain delays, and above-trend increases in the costs of goods and services. Personnel cost increases are a major driver of expenditures in most funds. Specifically, police and fire pension

Management's Discussion and Analysis (Continued)

costs continue to rise. Also, 32 positions were added to enhance key services and outcomes during fiscal year 2024. The cost of these positions is included in the FY 2025 budget. The FY 2025 budget accommodates 28 staffing additions to achieve strategic plan outcomes for a total of 1,755 authorized positions. This is approximately 200 fewer positions than 2002 staffing levels at a time when the City continues to see steady population growth and demand for services. This fiscal plan maintains service levels and provides some enhancements in key areas. Departments did try to mitigate cost increases where possible but offsetting the impact of inflation completely would have resulted in a reduction in services. The FY 2025 budget was developed with consideration of our adopted budget guidelines and fiscal policies.

The City was fortunate to receive federal relief during the pandemic to sustain services but income tax still lags the City's operating costs. We chose not to take any cost-reduction measures this year as we believe our income tax revenue estimate is conservative and hope to outperform our estimates. Should income tax not outperform our estimates, next year as we get closer to fully expending our ARPA funding, we will consider corrective action to resolve the structural deficits in the out years. There are some areas of the budget beyond our local control that would best be addressed legislatively. In recent years, the GOF contribution to the 61st District Court has been subsidized with ARPA funds. The GOF will contribute \$9.2 million in FY 2025 but by FY 2029 the total GOF contribution will rise to \$12.1M. This represents approximately 67% of the cost of operating the District Court in FY 2025, increasing to approximately 84% by FY 2029 (absent a state legislative solution) as well as continuing to provide any required local grant match dollars required by the District Court in its Grants Fund. Fixing just this problem at the state level would correct a significant portion of the annual deficit projected in the out years of the budget forecast.

Future budget forecasts reflect the maintenance of effort support from the General Fund that were promised to the voters as a part of the successful campaigns to create dedicated tax revenues to support parks and street improvements. The Parks Fund will receive approximately \$8 million in FY 2025, and the Vital Streets Fund will receive \$850,000 of General Fund support annually through FY 2030.

Should another economic recession impact the City, there will need to be a re-prioritization of services outside of the programs the City is legally mandated to support. Even with strong reserves and the infusion of ARPA funds, continued innovation and strong economic growth is needed to secure a strong financial future - especially in the (post-ARPA) out years of the five-year fiscal plan. The ARPA grant award allowed the City to continue to maintain essential services as well as assist in spurring local economic recovery and growth. The City will continue to explore innovative projects that can bring down the cost of delivering services and improve efficiency. An example is investment in a new Enterprise Resource Planning (ERP) system which will increase productivity, standardize processes, reduce operating costs, centralize data, and integrate knowledge. Implementation began in the second quarter of 2023 with go-live dates in the first and second quarters of 2025.

The City continues to leverage its American Rescue Plan Act (ARPA) funds to support current operations as well as provide support in key focus areas. The FY 2025 proposed budget fully allocates the remaining unassigned funds. Many of the ARPA-supported Park's projects are also being co-funded by the Downtown Grand Rapids, Inc. (DGRI) \$55 million Greenway grant so this is a prime example of how the City is leveraging other external funding sources to bring critical projects to fruition in the window where external funds are available. This includes projects in qualified census tracts that are specifically for disproportionately impacted areas at or below 185 percent of the Federal Poverty Guidelines or at or below 40 percent of the AMI for Kent County. These projects must promote improved health and safety outcomes. The projects the City identified under this criterion are as follows: Martin Luther King Park Lodge, Riverwalk Rehabilitation, Oxford Trail upgrade and extension, and Plaster Creek and Silver Creek Trails planning. Our collective work, driven by prudent and timely decision-making, a resilient local economy, and a dose of one-time assistance from our state and federal partners will enable our continued progress.

The \$2 million that was previously allocated to Participatory Budgeting in the ARPA plan is now being funded with fund balance of the General Fund. The reason for this change was mainly driven by the timing restrictions of our partners' ability to enter into contracts and spend the funds in compliance with ARPA grant restrictions. All contracts were executed in fiscal year 2024 and should be spent over the next year and a half.

Management's Discussion and Analysis (Continued)

Income taxes fund the General Fund, Capital Reserve Fund, Sidewalk Repair Fund, and Vital Streets Fund. The adopted budget for FY 2025 forecasts a 3.25% increase in base local income tax collections above the FY 2024 estimated revenue (approximately 0.4% below actual FY 2024 results). Given the City's record of outperforming the state and nation during recessions and because consumer spending remains high while unemployment is low locally, the forecast for growth in income tax receipts is 3.25% annually in FY 2025-29. The income tax growth projections are conservative, anticipating a steady but gradual upward trajectory in the coming years with the backlog of compliance revenue gradually declining until it normalizes toward the latter part of the forecast. Local economic development groups support an optimistic forecast and believe that West Michigan will be largely immune from the worst impacts of any potential economic downturn, relative to the potential impacts felt at the national and even State level. These groups point to a diverse local economy, various development projects, employment statistics, and other economic indicators. Staff will closely monitor FY 2025 income tax receipts and propose adjustments to the revenue forecast if appropriate.

A strong real property market in West Michigan, combined with the expectation of 100% reimbursement for personal property exemption losses, is expected to result in steady property tax revenue increases. Overall taxable value increased significantly in 2023 (tax year 2024) but much of the new value is captured by Brownfields and tax capture districts. The City is expecting the largest increase ever for the second year in a row – adding 15% to the residential class, the assessed value is over \$11 billion for 2024, the inflation rate multiplier is maxed out (again) at 5% and there was a small Headlee rollback. The overall increase of Taxable Value for 2024 is 8.87%. Property taxes are also a key source of funding for most of the City's component units, including the Downtown Development Authority, the Monroe North Tax Increment Financing Authority, the Smart Zone Local Development Financing Authority, the Brownfield Redevelopment Authority, and the various corridor improvement districts. FY 2024 General Fund property tax revenue increased approximately 7.8% over FY 2023 actual results. FY 2025 is forecast at 4.7% growth and FY 2026 and beyond is forecast to grow at a more conservative average of 3.1% annually. The FY 2025 Fiscal Plan proposes a property tax millage rate decrease from 9.0325 to 8.9544 (0.0781 decrease).

Once again, the capital plan for the City is much more robust this year than it has been in years past. The transformational capital projects included in the FY 2025 fiscal plan rely on the issuance of debt, which generally is issued to help pay the upfront cost of assets that will serve generations of residents or is used as a tool to accelerate projects to take advantage of particular circumstances. This accelerates the benefits of such assets while spreading responsibility for the cost over decades. The capital plan includes projects that are driven by both considerations. For example, in fiscal year 2024, debt is a component of the work underway to move City services from 201 Market to 1500 Scribner. This project replaces an old and outdated facility and modernizes our fleet maintenance and yard facilities to accommodate the move to alternative fuels, a benefit to future generations of residents and utility customers. The capital plan also continues our investments in several major parks projects that will require multiple fiscal years to complete, including the reconstruction of lodges at Martin Luther King Park and Roosevelt Park, and major investments in trails and river's edge parks. Relying on parks millage dollars alone, these projects would take many more years to accumulate sufficient funds needed to construct the projects. We are able to pursue these projects within the next three years by leveraging the parks millage, the Greenway grant from the State of Michigan, and our City ARPA allocation from the State and Local Fiscal Relief Funds Program. Those state and partner grants are available now and must be spent by the end of 2026. If we are unable to commit to those timelines, we would not be able to receive those substantial funds, missing opportunities for our entire community.

The City remains a partner in many transformational projects including the Grand River Greenway, the Amphitheater and proposed Soccer Stadium. We will continue to support and, as in the case of the Greenway, leverage our own resources to maximize grant dollars in order to improve anticipated outcomes. Financially, the City is well positioned to handle this capital plan while maintaining the current AA bond rating. The remaining ARPA money has been allocated for a variety of projects that will have lasting impacts on our community for many years to come.

While putting together the capital plan in recent years, it became evident that asset management for fire and public safety needed to be addressed. During FY 2024, current authorized revenue sources were utilized for land acquisitions necessary for Fire Department service enhancements. Additional revenues will be needed for current and future building construction, equipment acquisition and staffing costs associated with the potential construction of three new fire facilities. A voter approved fire safety millage would meet this need. In Michigan's FY 2024 budget,

Management's Discussion and Analysis (Continued)

lawmakers approved \$35 million in grant funds that will fully fund the construction of two new Grand Rapids fire stations and partially fund the construction of a fire training and operations center. A bond issuance is planned for the second quarter of 2025 to provide the remaining funding necessary for the Fire Training Center.

The Fiscal Plan recommends capital investments of \$290.16 million in FY 2025 and \$760.22 million across all five years (FY 2025-29). These investments are made possible through a variety of funding sources including the General Operating Fund, bonds, federal and state allocations, leveraged funds, millages, and grants. The City's capital plans have been prepared within the context of five years for many years and include sustainable asset management strategies across all business units. The City has intentionally chosen to make investments via an asset management strategy to maintain essential capital systems that require long-term investments, often 20-year projections. These investments account for a large majority of the total capital budget. The physical location of these assets and the timing of investments required to maintain them drive the majority of our capital investment and impact balance and distribution. In the Strategic Plan, the City committed to evaluating all capital projects based on strategic priorities, balance and distribution across the Wards. Having these forward-looking projections allows the organization to make informed decisions on whether there is a need to pare back current plans or an opportunity to set and achieve new goals. The prior capital set-aside of 4.25% was insufficient to maintain all City asset classes over the long-term horizon. As a result, the FY 2025 Fiscal Plan includes an annual 0.25% increase beginning in FY 2024 until the 5.00% target is reached by FY 2026. The capital set-aside is calculated only on the portion of income tax revenue that is not committed to the Vital Streets program in accordance with the fifteen-year income tax extension request approved by voters in FY 2015.

The City must continue to invest strategically so that we may become sustainable in all areas of operation. There needs to be a conscious effort to continue to maintain the operational budgetary discipline of revenues exceeding expenditures created by increasing efficiencies, paying continued careful attention to total compensation and by implementing data-driven performance management. In October 2022, an updated version of the strategic plan was shared, which continues the foundational elements of the first version and is informed by the innovation and agility spurred by the pandemic that resulted in both temporary and permanent changes to our operations. We will continue to refine the city-wide strategic plan, which was built upon commission priorities, citizen input and buy-in from top management across the organization.

The City remains resilient and positioned for success in FY 2025 and beyond with the ability to make progress on the strategic initiatives put forward in the fiscal plan. While financial structural deficits - particularly in the general fund - are on the horizon once relief funding expires, investments we make in continuous improvement, cost efficiencies, and spurring the local economy will help to mitigate those conditions in future years.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Comptroller Department, 300 Monroe NW, Grand Rapids, MI 49503. Contact telephone number: (616) 456-3189.



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June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Equity in pooled cash and investments (Note 2)	\$ 415,141,859	\$ 144,348,737	\$ 559,490,596	\$ 28,420,035
Receivables:				
Receivables - Net	29,693,791	34,622,627	64,316,418	1,012,646
Accrued interest receivable	-	-	-	7,766
Leases receivable	-	356,010	356,010	-
Due from other governments	11,786,235	991,218	12,777,453	145,851
Due from component units	286,283	-	286,283	-
Internal balances	(14,519,486)	14,519,486	-	-
Inventory	3,204,784	4,272,423	7,477,207	-
Prepaid expenses and other assets	3,463,099	136,386	3,599,485	23,134
Restricted assets (Note 4)	91,789,480	34,906,878	126,696,358	-
Investment in joint ventures (Note 1)	-	2,472,900	2,472,900	-
Net OPEB asset (Note 10)	5,106,984	-	5,106,984	-
Capital assets: (Note 5)				
Assets not subject to depreciation	87,477,209	34,904,453	122,381,662	11,427,728
Assets subject to depreciation - Net	260,421,512	896,288,435	1,156,709,947	6,717,951
Other assets	-	210,262	210,262	-
Lease receivable (Note 15)	107,779	10,576,083	10,683,862	-
Total assets	893,959,529	1,178,605,898	2,072,565,427	47,755,111
Deferred Outflows of Resources				
Deferred charges on bond refunding	1,413,090	6,214,635	7,627,725	-
Deferred outflows related to pensions (Notes 7 and 8)	66,850,705	6,401,311	73,252,016	2,280,025
Deferred outflows related to OPEB (Notes 10 and 11)	8,808,494	567,716	9,376,210	1,045,871
Total deferred outflows of resources	77,072,289	13,183,662	90,255,951	3,325,896
Liabilities				
Vouchers and accounts payable	47,642,369	8,455,977	56,098,346	3,109,614
Due to other governmental units	227,492	-	227,492	-
Due to primary government	-	-	-	286,283
Accrued liabilities and other	1,118,425	7,698,831	8,817,256	3,664
Due to participants	-	-	-	1,293,260
Unearned revenue	59,358,045	956,204	60,314,249	71,781
Customer deposits	2,260,404	-	2,260,404	-
Noncurrent liabilities:				
Due within one year: (Note 6)				
Payable from restricted assets - Principal payable from restricted assets	-	20,057,500	20,057,500	-
Current portion of compensated absences	7,233,474	1,345,262	8,578,736	403,025
Current portion of claims payable	5,774,133	-	5,774,133	-
Current portion of bonds, contracts, and leases payable (Note 6)	9,632,513	3,001,013	12,633,526	225,203
Due in more than one year:				
Compensated absences	9,100,049	1,688,065	10,788,114	351,071
Provision for claims	1,377,389	-	1,377,389	-
Net pension liability (Notes 7 and 8)	294,698,486	36,879,686	331,578,172	13,539,024
Net OPEB liability (Notes 10 and 11)	5,430,694	1,364,124	6,794,818	935,984
Bonds, contracts, notes, and leases payable (Note 6)	135,722,645	421,316,317	557,038,962	1,266,554
Total liabilities	579,576,118	502,762,979	1,082,339,097	21,485,463

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City of Grand Rapids, Michigan

Statement of Net Position (Continued)

June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Deferred Inflows of Resources				
Deferred inflows related to OPEB (Notes 10 and 11)	\$ 45,065,102	\$ 3,510,761	\$ 48,575,863	\$ 2,320,693
Deferred inflows related to leases	97,981	10,838,781	10,936,762	-
Total deferred inflows of resources	<u>45,163,083</u>	<u>14,349,542</u>	<u>59,512,625</u>	<u>2,320,693</u>
Net Position				
Net investment in capital assets	277,970,021	487,844,587	765,814,608	17,858,922
Restricted:				
Public works	28,952,692	-	28,952,692	-
Debt service	-	34,411,977	34,411,977	-
Public safety	2,022,408	-	2,022,408	-
Authorized projects	-	-	-	21,206,483
Culture and recreation	573,327	-	573,327	-
Urban and community development	3,185,905	-	3,185,905	-
Grants	2,226,766	-	2,226,766	-
Opioid settlement	7,791,894	-	7,791,894	-
General government	167,759	-	167,759	-
Net OPEB asset	5,106,984	-	5,106,984	-
Nonexpendable - Perpetual care	3,186,960	-	3,186,960	-
Nonexpendable - Culture and recreation	14,270	-	14,270	-
Unrestricted	15,093,631	152,420,475	167,514,106	(11,790,554)
Total net position	<u>\$ 346,292,617</u>	<u>\$ 674,677,039</u>	<u>\$ 1,020,969,656</u>	<u>\$ 27,274,851</u>

City of Grand Rapids, Michigan

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 45,553,732	\$ 16,376,758	\$ 7,765,978	\$ -
Public safety	124,984,242	2,254,150	5,643,960	-
Public works	79,704,901	15,955,799	39,823,016	7,092,543
Health and welfare	7,161	-	3,100,607	-
Urban and community development	27,533,282	9,846,235	13,836,458	-
Recreation and culture	32,296,821	836,785	1,919,077	-
Interest on long-term debt	3,138,069	-	-	-
Total governmental activities	313,218,208	45,269,727	72,089,096	7,092,543
Business-type activities:				
Water Supply System	52,065,052	59,046,684	1,227,491	20,367,536
Sewer Disposal System	65,516,041	70,457,770	535,003	2,888,453
Parking System	20,862,013	22,498,913	2,571,771	-
Other Enterprise	3,628,531	3,067,329	-	-
Total business-type activities	142,071,637	155,070,696	4,334,265	23,255,989
Total primary government	\$ 455,289,845	\$ 200,340,423	\$ 76,423,361	\$ 30,348,532
Component units:				
Downtown Development Authority	\$ 16,605,163	\$ 1,707,229	\$ 25,000	\$ 869,361
Tax Increment Financing Authority	319,376	-	152,476	-
SmartZone Local Development Financing Authority	2,701,256	-	447,811	-
Brownfield Redevelopment Authority	15,218,640	118,259	257,067	-
Corridor Improvement Authority	1,062,120	-	1,458	-
61st District Court	15,279,910	3,525,792	9,079,137	-
Total component units	\$ 51,186,465	\$ 5,351,280	\$ 9,962,949	\$ 869,361
General revenue:				
Taxes:				
Property taxes				
Income taxes				
Unrestricted state-shared revenue				
Unrestricted investment income				
Gain on sale of capital assets				
Other miscellaneous income				
Total general revenue				
Transfers				
Change in Net Position				
Net Position - Beginning of year				
Net Position - End of year				

Statement of Activities

Year Ended June 30, 2024

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (21,410,996)	\$ -	\$ (21,410,996)	\$ -
(117,086,132)	-	(117,086,132)	-
(16,833,543)	-	(16,833,543)	-
3,093,446	-	3,093,446	-
(3,850,589)	-	(3,850,589)	-
(29,540,959)	-	(29,540,959)	-
(3,138,069)	-	(3,138,069)	-
(188,766,842)	-	(188,766,842)	-
-	28,576,659	28,576,659	-
-	8,365,185	8,365,185	-
-	4,208,671	4,208,671	-
-	(561,202)	(561,202)	-
-	40,589,313	40,589,313	-
(188,766,842)	40,589,313	(148,177,529)	-
-	-	-	(14,003,573)
-	-	-	(166,900)
-	-	-	(2,253,445)
-	-	-	(14,843,314)
-	-	-	(1,060,662)
-	-	-	(2,674,981)
-	-	-	(35,002,875)
55,401,179	-	55,401,179	28,574,245
136,795,880	-	136,795,880	-
29,658,114	-	29,658,114	-
18,385,277	8,272,973	26,658,250	1,466,545
-	-	-	3,875
2,202,361	635,622	2,837,983	264,994
242,442,811	8,908,595	251,351,406	30,309,659
407,815	(407,815)	-	-
54,083,784	49,090,093	103,173,877	(4,693,216)
292,208,833	625,586,946	917,795,779	31,968,067
\$ 346,292,617	\$ 674,677,039	\$ 1,020,969,656	\$ 27,274,851

City of Grand Rapids, Michigan

	General Fund	Major Streets	Local Streets	General Capital Construction
Assets				
Equity in pooled cash and investments (Note 2)	\$ 174,599,633	\$ 19,534,039	\$ 3,703,259	\$ 46,248,402
Receivables:				
Receivables - Net	13,952,065	1,970,108	32,590	3,983,300
Due from other governments	4,326,830	3,623,939	980,220	1,053,940
Due from component units	-	-	-	286,283
Inventory	913,595	1,377,312	-	-
Restricted assets	-	-	-	85,672,947
Lease receivable	-	55,123	-	-
Total assets	\$ 193,792,123	\$ 26,560,521	\$ 4,716,069	\$ 137,244,872
Liabilities				
Vouchers and accounts payable	\$ 27,403,871	\$ 2,207,250	\$ 70,743	\$ 8,942,043
Due to other governmental units	140,687	-	-	-
Unearned revenue	46,049,008	-	-	6,500,000
Customer deposits	408,423	-	-	563,531
Total liabilities	74,001,989	2,207,250	70,743	16,005,574
Deferred Inflows of Resources				
Unavailable revenue - Special assessments	-	-	-	580,149
Unavailable revenue	2,417,523	147,855	-	-
Deferred inflows related to leases	-	45,905	-	-
Total deferred inflows of resources	2,417,523	193,760	-	580,149
Total liabilities and deferred inflows of resources	76,419,512	2,401,010	70,743	16,585,723
Fund Balances				
Nonspendable:				
Inventory	913,595	1,377,312	-	-
Nonexpendable/Endowment	-	-	-	-
Restricted: (Note 18)				
General government	-	-	-	-
Authorized projects	-	-	-	84,692,747
Opioid settlement	-	-	-	-
Public safety	-	-	-	-
Urban and community development	2,464,177	-	-	-
Culture and recreation	-	-	-	-
Public works	-	22,782,199	4,645,326	-
Committed: (Note 18)				
Authorized projects	4,654,900	-	-	35,966,402
Other purposes	17,798,835	-	-	-
Assigned: (Note 18)				
Ensuing budget year	-	-	-	-
Culture and recreation	-	-	-	-
Urban and community development	-	-	-	-
Public works	-	-	-	-
Compensated absences	12,293,516	-	-	-
Other purposes	886,145	-	-	-
Unassigned	78,361,443	-	-	-
Total fund balances	117,372,611	24,159,511	4,645,326	120,659,149
Total liabilities, deferred inflows of resources, and fund balances	\$ 193,792,123	\$ 26,560,521	\$ 4,716,069	\$ 137,244,872

Governmental Funds Balance Sheet

June 30, 2024

Nonmajor Governmental Funds	Total Governmental Funds
\$ 83,057,749	\$ 327,143,082
8,297,035	28,235,098
1,801,306	11,786,235
-	286,283
17,134	2,308,041
-	85,672,947
52,656	107,779
\$ 93,225,880	\$ 455,539,465
\$ 6,690,382	\$ 45,314,289
-	140,687
6,357,529	58,906,537
1,288,450	2,260,404
14,336,361	106,621,917
6,489,653	7,069,802
883,171	3,448,549
52,076	97,981
7,424,900	10,616,332
21,761,261	117,238,249
17,134	2,308,041
3,201,230	3,201,230
167,759	167,759
-	84,692,747
2,109,746	2,109,746
2,022,408	2,022,408
2,380,989	4,845,166
573,327	573,327
-	27,427,525
26,146,056	66,767,358
1,879,129	19,677,964
19,432	19,432
10,785,171	10,785,171
7,295,867	7,295,867
11,050,152	11,050,152
2,078,116	14,371,632
1,738,103	2,624,248
-	78,361,443
71,464,619	338,301,216
\$ 93,225,880	\$ 455,539,465

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Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2024

Fund Balances Reported in Governmental Funds	\$ 338,301,216
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
Cost of capital assets	998,533,425
Accumulated depreciation	<u>(675,222,164)</u>
Net capital assets used in governmental activities	323,311,261
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	10,518,351
Deferred outflows of resources related to pension and OPEB are not available to pay for current period expenditures and, therefore, are not reported in the funds	72,848,129
Deferred inflows of resources related to pension and OPEB are not due and payable in the current period and are not reported in the funds	(43,648,444)
Bonds, contracts, leases, and SBITAs payable and related premiums are not due and payable in the current period and are not reported in the funds	(145,247,410)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,118,425)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Compensated absences	(15,131,944)
Net pension liability	(279,822,968)
Net OPEB asset/liability	226,740
Deferred charges related to bond refunding are not due and payable in the current period and are not reported in the funds	1,413,090
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>84,643,021</u>
Net Position of Governmental Activities	<u><u>\$ 346,292,617</u></u>

City of Grand Rapids, Michigan

	General Fund	Major Streets	Local Streets	General Capital Construction
Revenue				
Taxes:				
Property taxes	\$ 17,693,882	\$ -	\$ -	\$ 7,222,533
Income taxes	113,220,334	15,320,585	-	5,337,210
Intergovernmental:				
Federal grants	3,645,227	521,854	-	10,941,643
State sources:				
State-shared taxes	24,980,285	22,787,924	6,113,703	3,109,600
State grants	1,689,636	-	-	123,812
Other grants and contributions	3,628,444	25,000	-	5,876,160
Charges for services	13,089,382	2,807,121	732,720	37,201
Fines and forfeitures	2,011,530	-	-	-
Licenses and permits	3,653,677	-	-	-
Investment income	8,187,335	873,995	41,927	1,740,381
Other revenue:				
Miscellaneous	305,198	584,373	15,477	20,608
Property sales	-	-	-	-
Total revenue	192,104,930	42,920,852	6,903,827	34,409,148
Expenditures				
Current services:				
General government	39,502,743	-	-	140,469
Public safety	112,612,869	-	-	1,192,659
Public works	4,866,389	14,651,866	5,211,116	-
Health and welfare	-	-	-	-
Urban and community development	6,700,091	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	6,116,924	4,069,382	44,337,725
Debt service:				
Principal	894,505	2,528,608	10,890	1,878,182
Interest and fiscal charges	16,211	418,458	721	1,834,276
Total expenditures	164,592,808	23,715,856	9,292,109	49,383,311
Excess of Revenue Over (Under) Expenditures	27,512,122	19,204,996	(2,388,282)	(14,974,163)
Other Financing Sources (Uses)				
Transfers in (Note 12)	1,693,978	460,998	3,052,835	9,331,947
Transfers out (Note 12)	(20,390,743)	(17,162,431)	(48,960)	(566,528)
New debt issued	-	-	-	81,900,000
Leases and SBITAs entered into	248,239	-	-	-
Debt premium	-	-	-	8,226,410
Sale of capital assets	21,333	4,524	-	-
Total other financing (uses) sources	(18,427,193)	(16,696,909)	3,003,875	98,891,829
Net Change in Fund Balances	9,084,929	2,508,087	615,593	83,917,666
Fund Balances - Beginning of year	108,287,682	21,651,424	4,029,733	36,741,483
Fund Balances - End of year	\$ 117,372,611	\$ 24,159,511	\$ 4,645,326	\$ 120,659,149

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2024

	<u>Nonmajor Governmental Funds</u>		<u>Total Governmental Funds</u>
\$	30,484,764	\$	55,401,179
	2,917,751		136,795,880
	16,160,885		31,269,609
	201,716		57,193,228
	4,444,802		6,258,250
	3,252,427		12,782,031
	16,033,212		32,699,636
	20,938		2,032,468
	4,617,252		8,270,929
	2,955,440		13,799,078
	1,260,761		2,186,417
	13,500		13,500
	<u>82,363,448</u>		<u>358,702,205</u>
	3,757,229		43,400,441
	4,304,965		118,110,493
	21,139,056		45,868,427
	7,161		7,161
	20,442,527		27,142,618
	26,923,654		26,923,654
	6,882,845		61,406,876
	2,478,984		7,791,169
	537,689		2,807,355
	<u>86,474,110</u>		<u>333,458,194</u>
	(4,110,662)		25,244,011
	28,637,746		43,177,504
	(5,510,606)		(43,679,268)
	-		81,900,000
	211,048		459,287
	-		8,226,410
	-		25,857
	<u>23,338,188</u>		<u>90,109,790</u>
	19,227,526		115,353,801
	<u>52,237,093</u>		<u>222,947,415</u>
\$	<u>71,464,619</u>	\$	<u>338,301,216</u>

Governmental Funds

**Reconciliation of the Statement of Revenue, Expenditures, and Changes in
Fund Balances to the Statement of Activities**

Year Ended June 30, 2024

Net Change in Fund Balances Reported in Governmental Funds	\$ 115,353,801
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	43,002,160
Depreciation expense	(22,583,295)
Net book value of assets disposed of	(3,319,495)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	3,582,400
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(82,334,701)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	7,762,643
Changes in deferred amounts on refunding of bonds are not reported in governmental funds	(347,418)
Changes in accrued interest expense are not reported in governmental funds	(603,830)
Changes in unamortized premiums on bonds are not reported in governmental funds	(7,573,387)
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources, and, therefore, the changes in these amounts are not reported as expenditures in the governmental funds	(10,692,911)
Internal service funds are included as part of governmental activities	11,837,817
Change in Net Position of Governmental Activities	\$ 54,083,784

Proprietary Funds
Statement of Net Position

June 30, 2024

	Enterprise Funds				Total Enterprise Funds	Governmental Activities
	Water Supply System	Sewer Disposal System	Parking System	Nonmajor Enterprise		Internal Service Funds
Assets						
Current assets:						
Equity in pooled cash and investments (Note 2)	\$ 55,034,319	\$ 58,937,033	\$ 26,121,453	\$ 4,255,932	\$ 144,348,737	\$ 87,998,777
Receivables:						
Receivables - Net	18,564,997	15,288,521	564,903	204,206	34,622,627	1,458,693
Leases receivable	-	-	163,277	192,733	356,010	-
Due from other governments	991,218	-	-	-	991,218	-
Inventory	2,921,469	1,318,222	-	32,732	4,272,423	896,743
Prepaid expenses and other assets	-	-	136,386	-	136,386	3,463,099
Restricted assets (Note 4)	5,604,048	9,245,330	-	-	14,849,378	6,116,533
Total current assets	83,116,051	84,789,106	26,986,019	4,685,603	199,576,779	99,933,845
Noncurrent assets:						
Restricted assets (Note 4)	5,647,500	14,410,000	-	-	20,057,500	-
Investment in joint ventures (Note 1)	-	2,472,900	-	-	2,472,900	-
Capital assets: (Note 5)						
Assets not subject to depreciation	16,544,308	9,653,224	8,701,666	5,255	34,904,453	1,522,475
Assets subject to depreciation - Net	401,497,486	455,128,043	36,922,738	2,740,168	896,288,435	23,064,985
Other assets	-	-	-	210,262	210,262	-
Lease receivable	6,858,631	-	3,717,452	-	10,576,083	-
Total noncurrent assets	430,547,925	481,664,167	49,341,856	2,955,685	964,509,633	24,587,460
Total assets	513,663,976	566,453,273	76,327,875	7,641,288	1,164,086,412	124,521,305
Deferred Outflows of Resources						
Deferred charges on bond refunding	2,514,240	2,890,098	810,297	-	6,214,635	-
Deferred outflows related to pensions (Notes 7 and 8)	2,594,962	2,696,139	968,917	141,293	6,401,311	2,581,986
Deferred outflows related to OPEB (Notes 10 and 11)	229,696	239,054	86,437	12,529	567,716	229,084
Total deferred outflows of resources	5,338,898	5,825,291	1,865,651	153,822	13,183,662	2,811,070
Liabilities						
Current liabilities:						
Vouchers and accounts payable	3,862,713	3,108,949	1,288,151	196,164	8,455,977	2,328,080
Due to other governmental units	-	-	-	-	-	86,805
Accrued interest payable	2,727,279	4,835,108	136,444	-	7,698,831	-
Unearned revenue	884,361	-	55,438	16,405	956,204	451,508
Current portion of compensated absences	631,532	506,156	172,185	35,389	1,345,262	522,553
Current portion of claims payable	-	-	-	-	-	5,774,133
Current portion of bonds, contracts, and leases payable (Note 6)	66,053	-	2,934,960	-	3,001,013	52,044
Total current liabilities	8,171,938	8,450,213	4,587,178	247,958	21,457,287	9,215,123
Noncurrent liabilities:						
Payable from restricted assets - Principal payable from restricted assets	5,647,500	14,410,000	-	-	20,057,500	-
Compensated absences	792,461	635,136	216,061	44,407	1,688,065	679,026
Provision for claims	-	-	-	-	-	1,377,389
Net pension liability (Notes 7 and 8)	14,950,277	15,533,185	5,582,192	814,032	36,879,686	14,875,518
Net OPEB liability (Notes 10 and 11)	551,919	574,406	207,696	30,103	1,364,124	550,450
Bonds, contracts, notes, and leases payable (Note 6)	147,473,998	254,705,443	19,136,876	-	421,316,317	55,704
Total noncurrent liabilities	169,416,155	285,858,170	25,142,825	888,542	481,305,692	17,538,087
Total liabilities	177,588,093	294,308,383	29,730,003	1,136,500	502,762,979	26,753,210

Proprietary Funds
Statement of Net Position (Continued)

June 30, 2024

	Enterprise Funds				Total Enterprise Funds	Governmental Activities
	Water Supply System	Sewer Disposal System	Parking System	Nonmajor Enterprise		Internal Service Funds
Deferred Inflows of Resources						
Deferred inflows related to OPEB (Notes 10 and 11)	\$ 1,420,440	\$ 1,478,315	\$ 534,533	\$ 77,473	\$ 3,510,761	\$ 1,416,658
Deferred inflows related to leases	6,838,852	-	3,793,438	206,491	10,838,781	-
Total deferred inflows of resources	8,259,292	1,478,315	4,327,971	283,964	14,349,542	1,416,658
Net Position						
Net investment in capital assets	264,362,849	196,551,461	24,184,854	2,745,423	487,844,587	24,479,712
Restricted - Debt service	10,912,062	23,499,915	-	-	34,411,977	-
Unrestricted	57,880,578	56,440,490	19,950,698	3,629,223	137,900,989	74,682,795
Total net position	<u>\$ 333,155,489</u>	<u>\$ 276,491,866</u>	<u>\$ 44,135,552</u>	<u>\$ 6,374,646</u>	660,157,553	<u>\$ 99,162,507</u>
Amounts reported for business-type activities in the statement of net position are different because a portion of the Internal Service Fund is included as business-type activities					14,519,486	
Total Net Position - Business-type Activities					<u>\$ 674,677,039</u>	

Proprietary Funds
Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2024

	Enterprise Funds				Total Enterprise Funds	Governmental Activities
	Water Supply System	Sewer Disposal System	Parking System	Nonmajor Enterprise		Internal Service Funds
Operating Revenue						
Sales	\$ 53,064,605	\$ 3,080,714	\$ -	\$ 630,900	\$ 56,776,219	\$ 58,900
Charges for services	4,294,551	66,378,067	22,382,222	2,436,429	95,491,269	74,610,350
Miscellaneous	1,687,528	998,989	116,691	-	2,803,208	2,168,657
Total operating revenue	59,046,684	70,457,770	22,498,913	3,067,329	155,070,696	76,837,907
Operating Expenses						
Utilities	3,662,536	2,429,699	499,546	303,991	6,895,772	1,525,639
Supplies and materials	7,783,060	3,977,654	2,363,863	276,413	14,400,990	4,174,479
Personal services	12,901,732	13,979,077	4,955,832	1,451,813	33,288,454	12,557,221
Contractual services	5,019,307	10,611,672	5,573,242	539,268	21,743,489	3,872,547
Other services and charges	6,564,838	6,986,870	3,299,198	805,258	17,656,164	43,819,562
Depreciation and amortization	11,662,209	19,262,270	3,704,537	292,262	34,921,278	5,269,848
Total operating expenses	47,593,682	57,247,242	20,396,218	3,669,005	128,906,147	71,219,296
Operating Income (Loss)	11,453,002	13,210,528	2,102,695	(601,676)	26,164,549	5,618,611
Nonoperating Revenue (Expense)						
Investment income	3,508,955	3,584,172	980,822	199,024	8,272,973	4,586,199
Interest expense	(4,944,185)	(8,900,353)	(539,627)	-	(14,384,165)	(22,345)
(Loss) gain on sale of assets	(51,234)	-	(151,165)	-	(202,399)	364,041
Operating grants	1,227,491	535,003	2,571,771	-	4,334,265	-
Other nonoperating revenue	577,145	(424,052)	482,529	-	635,622	23,373
Total nonoperating revenue (expense)	318,172	(5,205,230)	3,344,330	199,024	(1,343,704)	4,951,268
Income (Loss) - Before capital contributions	11,771,174	8,005,298	5,447,025	(402,652)	24,820,845	10,569,879
Capital Contributions						
Capital grants	16,683,503	-	-	-	16,683,503	-
Other capital contributions	3,684,033	2,888,453	-	-	6,572,486	1,779,433
Total capital contributions	20,367,536	2,888,453	-	-	23,255,989	1,779,433
Transfers In (Note 12)	163,315	-	14,000	1,051,000	1,228,315	7,338,695
Transfers Out (Note 12)	(62,198)	(262,195)	(140,000)	(1,171,737)	(1,636,130)	(6,429,116)
Change in Net Position	32,239,827	10,631,556	5,321,025	(523,389)	47,669,019	13,258,891
Net Position - Beginning of year	300,915,662	265,860,310	38,814,527	6,898,035	612,488,534	85,903,616
Net Position - End of year	<u>\$ 333,155,489</u>	<u>\$ 276,491,866</u>	<u>\$ 44,135,552</u>	<u>\$ 6,374,646</u>	<u>\$ 660,157,553</u>	<u>\$ 99,162,507</u>
Net Change in Net Position - Total enterprise funds					\$ 47,669,019	
Amounts reported for business-type activities in the statement of activities are different because a portion of the Internal Service Fund is included as business-type activities					1,421,074	
Change in Net Position of Business-type Activities					<u>\$ 49,090,093</u>	

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2024

	Enterprise Funds					Governmental Activities
	Water Supply System	Sewer Disposal System	Parking System	Nonmajor Enterprise	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities						
Receipts from customers	\$ 52,489,522	\$ 69,185,373	\$ 22,434,296	\$ 3,225,953	\$ 147,335,144	\$ 75,016,956
Payments to suppliers	(24,845,938)	(21,803,129)	(11,622,640)	(1,973,808)	(60,245,515)	(50,624,152)
Payments to employees	(8,335,727)	(9,348,281)	(3,035,638)	(1,000,445)	(21,720,091)	(8,212,884)
Other operating receipts	559,145	4,899	479,809	-	1,043,853	-
Payments for payroll taxes and benefits	(4,467,687)	(4,611,119)	(1,739,737)	(321,366)	(11,139,909)	(7,644,026)
Net cash provided by (used in) operating activities	15,399,315	33,427,743	6,516,090	(69,666)	55,273,482	8,535,894
Cash Flows from Noncapital Financing Activities						
Operating grants and subsidies	1,245,491	535,093	2,571,771	-	4,352,355	-
Transfers from other funds	163,315	-	14,000	1,051,000	1,228,315	7,338,695
Transfers to other funds	(62,198)	(262,195)	(140,000)	(1,171,737)	(1,636,130)	(6,429,116)
Net cash provided by (used in) noncapital financing activities	1,346,608	272,898	2,445,771	(120,737)	3,944,540	909,579
Cash Flows from Capital and Related Financing Activities						
Issuance of bonds	13,490,729	-	-	-	13,490,729	-
Receipt of capital grants	16,683,503	-	-	-	16,683,503	-
Proceeds from sale of capital assets	157,085	136,987	11,031	-	305,103	387,414
Property taxes restricted for capital items	-	-	-	(88,696)	(88,696)	-
Purchase of capital assets	(25,461,347)	(6,671,570)	(4,851,934)	(235,300)	(37,220,151)	(4,213,969)
Principal and interest paid on capital debt	(9,162,368)	(24,171,595)	(1,534,048)	-	(34,868,011)	(1,097,708)
Net cash used in capital and related financing activities	(4,292,398)	(30,706,178)	(6,374,951)	(323,996)	(41,697,523)	(4,924,263)
Cash Flows Provided by Investing Activities - Sale of investments	3,275,582	3,376,727	976,485	199,024	7,827,818	4,615,281
Net Increase (Decrease) in Equity in Pooled Cash and Investments	15,729,107	6,371,190	3,563,395	(315,375)	25,348,317	9,136,491
Equity in Pooled Cash and Investments - Beginning of year	50,217,274	76,065,758	22,558,058	4,571,307	153,412,397	84,978,819
Equity in Pooled Cash and Investments - End of year	<u>\$ 65,946,381</u>	<u>\$ 82,436,948</u>	<u>\$ 26,121,453</u>	<u>\$ 4,255,932</u>	<u>\$ 178,760,714</u>	<u>\$ 94,115,310</u>
Classification of Cash						
Cash and investments	\$ 55,034,319	\$ 58,937,033	\$ 26,121,453	\$ 4,255,932	\$ 144,348,737	\$ 87,998,777
Restricted cash	10,912,062	23,499,915	-	-	34,411,977	6,116,533
Total cash	<u>\$ 65,946,381</u>	<u>\$ 82,436,948</u>	<u>\$ 26,121,453</u>	<u>\$ 4,255,932</u>	<u>\$ 178,760,714</u>	<u>\$ 94,115,310</u>

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended June 30, 2024

	Enterprise Funds				Total Enterprise Funds	Governmental
	Water Supply System	Sewer Disposal System	Parking System	Nonmajor Enterprise		Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities						
Operating income (loss)	\$ 11,453,002	\$ 13,210,528	\$ 2,102,695	\$ (601,676)	\$ 26,164,549	\$ 5,618,611
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation and amortization	11,662,209	19,262,270	3,704,537	292,262	34,921,278	5,269,848
Miscellaneous cash received	559,145	4,900	436,685	-	1,000,730	-
Changes in assets and liabilities:						
Receivables	(6,557,615)	(1,272,369)	(21,493)	158,624	(7,692,853)	(422,473)
Inventories	(239,128)	(123,339)	-	(19,820)	(382,287)	271,915
Restricted assets	-	-	(2,673)	-	(2,673)	(3,093,099)
Accounts payable and other liabilities	(1,022,265)	1,416,781	115,627	(28,403)	481,740	571,719
Net pension or OPEB liability	(834,262)	686,941	95,932	112,275	60,886	54,302
Deferrals related to pension or OPEB	360,155	209,526	94,388	2,759	666,828	266,559
Compensated absences	18,074	32,505	(9,608)	14,313	55,284	(1,488)
Total adjustments	3,946,313	20,217,215	4,413,395	532,010	29,108,933	2,917,283
Net cash provided by (used in) operating activities	<u>\$ 15,399,315</u>	<u>\$ 33,427,743</u>	<u>\$ 6,516,090</u>	<u>\$ (69,666)</u>	<u>\$ 55,273,482</u>	<u>\$ 8,535,894</u>
Significant Noncash Transactions						
Contributions of capital assets	\$ 3,684,033	\$ 2,888,453	\$ -	\$ -	\$ 6,572,486	\$ 1,779,433
Subscriptions entered into	-	-	1,532,297	-	1,532,297	168,849
Leases entered into	1,666,606	-	-	-	1,666,606	-

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Custodial Tax Fund
Assets		
Equity in pooled cash and investments (Note 2)	\$ 1,497,620	\$ -
Investments: (Note 2)		
Cash and money market funds	57,820,787	-
U.S. government securities	88,368,447	-
Other	106,221,654	-
State and municipal bonds	1,030,114	-
Corporate bonds and fixed-income commingled funds	192,142,037	-
Common stocks and equity mutual funds	499,650,823	-
Asset-backed securities	15,072,964	-
Real estate securities	47,283,082	-
Commodities	45,643,175	-
Collateral held by broker under securities lending - Short-term fixed income	65,584,912	-
Receivables:		
Receivables - Net	2,407,685	547,983
Accrued interest receivable	1,664,292	-
Pending trades - Sales	49,001,252	-
Total assets	1,173,388,844	547,983
Liabilities		
Vouchers and accounts payable	1,143,435	-
Due to other governmental units	-	547,983
Pending trades - Purchases and other payables	75,719,951	-
Obligations under securities lending agreements	65,584,912	-
Total liabilities	142,448,298	547,983
Net Position - Restricted		
Pension	952,502,825	-
Postemployment benefits other than pension	78,437,721	-
Total net position	\$ 1,030,940,546	\$ -

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Custodial Tax Fund
Additions		
Investment income:		
Interest and dividends	\$ 17,434,812	\$ -
Net increase in fair value of investments	84,293,980	-
Investment costs	(2,015,383)	-
Net investment income	99,713,409	-
Securities lending income - Interest and dividends	309,068	-
Contributions:		
Employer contributions	33,729,941	-
Employee contributions	8,314,181	-
Total contributions	42,044,122	-
Property tax collections for other governments	-	202,821,885
Total additions	142,066,599	202,821,885
Deductions		
Benefit payments	84,289,973	-
Administrative expenses	1,823,012	-
Property tax distributions to other governments	-	202,821,885
Total deductions	86,112,985	202,821,885
Net Increase in Fiduciary Net Position	55,953,614	-
Net Position - Beginning of year	974,986,932	-
Net Position - End of year	\$ 1,030,940,546	\$ -

City of Grand Rapids, Michigan

	Downtown Development Authority	Tax Increment Financing Authority	SmartZone Local Development Financing Authority
Assets			
Equity in pooled cash and investments (Note 2)	\$ 6,423,519	\$ 3,224,026	\$ 1,182,901
Receivables:			
Receivables - Net	914,126	10,952	6,933
Accrued interest receivable	-	-	-
Due from other governments	-	-	-
Prepaid expenses and other assets	23,110	-	-
Capital assets: (Note 5)			
Assets not subject to depreciation	11,313,680	-	-
Assets subject to depreciation - Net	6,649,720	3,101	-
Total assets	25,324,155	3,238,079	1,189,834
Deferred Outflows of Resources			
Deferred outflows related to pensions (Notes 7 and 8)	-	-	-
Deferred outflows related to OPEB (Notes 10 and 11)	-	-	-
Total deferred outflows of resources	-	-	-
Liabilities			
Vouchers and accounts payable	476,925	1,386	299,813
Due to primary government	286,283	-	-
Accrued interest payable	-	-	-
Due to participants	-	-	-
Unearned revenue	1,000	-	-
Noncurrent liabilities:			
Due within one year: (Note 6)			
Current portion of compensated absences	31,909	447	9,311
Current portion of bonds, contracts, and leases payable	89,297	906	-
Due in more than one year:			
Compensated absences	40,042	560	11,684
Net pension liability (Notes 7 and 8)	-	-	-
Net OPEB liability (Notes 10 and 11)	-	-	-
Bonds, contracts, notes, and leases payable (Note 6)	194,369	2,185	-
Total liabilities	1,119,825	5,484	320,808
Deferred Inflows of Resources - Deferred inflows related to OPEB (Notes 10 and 11)	-	-	-
Net Position (Deficit)			
Net investment in capital assets	17,679,734	10	-
Restricted for authorized projects	6,524,596	3,232,585	869,026
Unrestricted	-	-	-
Total net position (deficit)	<u>\$ 24,204,330</u>	<u>\$ 3,232,595</u>	<u>\$ 869,026</u>

Component Units
Statement of Net Position

June 30, 2024

Brownfield Redevelopment Authority	Corridor Improvement Authority	61st District Court	Total
\$ 12,440,284	\$ 2,560,010	\$ 2,589,295	\$ 28,420,035
58,593	9,653	12,389	1,012,646
-	-	7,766	7,766
-	-	145,851	145,851
-	-	24	23,134
-	-	114,048	11,427,728
-	61	65,069	6,717,951
<u>12,498,877</u>	<u>2,569,724</u>	<u>2,934,442</u>	<u>47,755,111</u>
-	-	2,280,025	2,280,025
-	-	1,045,871	1,045,871
-	-	3,325,896	3,325,896
2,160,245	17,829	153,416	3,109,614
-	-	-	286,283
3,664	-	-	3,664
1,048,295	-	244,965	1,293,260
-	-	70,781	71,781
23,608	-	337,750	403,025
135,000	-	-	225,203
29,623	-	269,162	351,071
-	-	13,539,024	13,539,024
-	-	935,984	935,984
<u>1,070,000</u>	<u>-</u>	<u>-</u>	<u>1,266,554</u>
4,470,435	17,829	15,551,082	21,485,463
-	-	2,320,693	2,320,693
-	61	179,117	17,858,922
8,028,442	2,551,834	-	21,206,483
-	-	(11,790,554)	(11,790,554)
<u>\$ 8,028,442</u>	<u>\$ 2,551,895</u>	<u>\$ (11,611,437)</u>	<u>\$ 27,274,851</u>

City of Grand Rapids, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Downtown Development Authority - Urban and community development	\$ 16,605,163	\$ 1,707,229	\$ 25,000	\$ 869,361
Tax Increment Financing Authority - Urban and community development	319,376	-	152,476	-
SmartZone Local Development Financing Authority - Urban and community development	2,701,256	-	447,811	-
Brownfield Redevelopment Authority - Urban and community development	15,218,640	118,259	257,067	-
Corridor Improvement Authority - Urban and community development	1,062,120	-	1,458	-
61st District Court - Public safety	15,279,910	3,525,792	9,079,137	-
Total component units	<u>\$ 51,186,465</u>	<u>\$ 5,351,280</u>	<u>\$ 9,962,949</u>	<u>\$ 869,361</u>

General revenue:
 Property taxes
 Unrestricted investment income (loss)
 Gain on sale of capital assets
 Other miscellaneous income
 Total general revenue

Change in Net Position

Net Position (Deficit) - Beginning of year

Net Position (Deficit) - End of year

Component Units
Statement of Activities

Year Ended June 30, 2024

Net (Expense) Revenue and Changes in Net Position						
Downtown Development Authority	Tax Increment Financing Authority	SmartZone Local Development Financing Authority	Brownfield Redevelopment Authority	Corridor Improvement Authority	61st District Court	Total
\$ (14,003,573)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (14,003,573)
-	(166,900)	-	-	-	-	(166,900)
-	-	(2,253,445)	-	-	-	(2,253,445)
-	-	-	(14,843,314)	-	-	(14,843,314)
-	-	-	-	(1,060,662)	-	(1,060,662)
-	-	-	-	-	(2,674,981)	(2,674,981)
(14,003,573)	(166,900)	(2,253,445)	(14,843,314)	(1,060,662)	(2,674,981)	(35,002,875)
8,626,448	492,407	1,474,327	16,123,378	1,857,685	-	28,574,245
646,882	133,389	132,112	523,490	(19,431)	50,103	1,466,545
-	-	-	-	-	3,875	3,875
-	-	-	75,023	-	189,971	264,994
9,273,330	625,796	1,606,439	16,721,891	1,838,254	243,949	30,309,659
(4,730,243)	458,896	(647,006)	1,878,577	777,592	(2,431,032)	(4,693,216)
28,934,573	2,773,699	1,516,032	6,149,865	1,774,303	(9,180,405)	31,968,067
\$ 24,204,330	\$ 3,232,595	\$ 869,026	\$ 8,028,442	\$ 2,551,895	\$ (11,611,437)	\$ 27,274,851

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Note 1 - Significant Accounting Policies

Reporting Entity

The City of Grand Rapids, Michigan (the "City") was incorporated as a village in 1838. It was incorporated as a city under a mayor-council form of government in 1850 and remained under that form of government until 1916 when the commission-manager system of government was instituted by the current City Charter. The City provides the following services: public safety, public works, maintenance and construction of streets, recreation and culture, urban development, and general administrative services.

In accordance with accounting principles generally accepted in the United States of America (USA), these financial statements present the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operations and financial relationship with the City.

Blended Component Units

The Grand Rapids Building Authority (GRBA) was created by the City of Grand Rapids, Michigan under the provisions of Act 31, Public Acts of 1948 of the State of Michigan (First Extra Session), as amended, and is governed by a three-member board appointed by the City Commission. Although it is legally separate from the City, the GRBA is reported as if it were part of the primary government because its sole purpose is to finance and construct facilities for any legitimate public purpose of the City. The City has included in its financial statements the capital projects funds for projects in progress during the fiscal year, as well as debt service funds used for the accumulation of resources to repay the related debt on current projects and those previously financed. Likewise, the City has incorporated the bond issues and the related capital assets in the governmental activities for government-wide presentation. For completed proprietary project facilities, the City has included the capital assets and related debt within the specific proprietary funds and reported them in the business-type activities column of the government-wide presentation.

Fiduciary Component Units

The City of Grand Rapids General Retirement System (General Retirement System) was established by city ordinance, which provides that general administration and responsibility for the operation of the General Retirement System are vested in a seven-member board of trustees, the majority of whom are appointed by the City Commission (four of the seven members are common among the General and Police and Fire Retirement Systems). Three members are elected by current employees. The General Retirement System is a defined benefit pension plan that covers all eligible employees of the City of Grand Rapids, Michigan, except for police officers, firefighters, and newly hired employees who are participants in one of the two defined contribution plans discussed in Note 14. The plan closed to new entrants on June 30, 2014. Funding for the General Retirement System is primarily provided by the City. Additional details of the General Retirement System are included in Note 7. Separate audited financial statements are issued. The General Retirement System is included in these statements as a fiduciary fund.

The City of Grand Rapids Police and Fire Retirement System (Police and Fire Retirement System) was established by city ordinance, which provides that the general administration and responsibility for the operation of the Police and Fire Retirement System is vested in a seven-member board of trustees, the majority of whom are appointed by the City Commission (four of the seven members are common among the General and Police and Fire Retirement Systems). The Police and Fire Retirement System covers all the eligible uniformed police and fire personnel of the City of Grand Rapids, Michigan under a defined benefit pension plan. Funding for the Police and Fire Retirement System is primarily provided by the City. The fiscal year end of this system changed to December 31 during the 2004 fiscal year. Additional details of the Police and Fire Retirement System are included in Note 7. Separate audited financial statements are issued. The Police and Fire Retirement System is included in these statements as a fiduciary fund.

As of and for the Year Ended June 30, 2024

Note 1 - Significant Accounting Policies (Continued)

The **City of Grand Rapids General Retiree, Police Retiree, and Fire Retiree OPEB Plans** are administered by city staff. Although they are legally separate from the City, they are reported as fiduciary component units because the City performs the duties of a governing body and the plans impose a financial burden on the City.

Discretely Presented Component Units

The component unit column in the combined financial statements includes the financial data of the City's other component units. They are reported in a separate column to emphasize that they are legally separate from the City. The City has the ability to impose its will on all of the listed authorities, as it must annually approve their budgets and their development and tax increment financing plans.

The **Grand Rapids Downtown Development Authority (DDA)** was created under the provisions of Act 197, Public Acts of 1975 of the State of Michigan, to correct and prevent deterioration, encourage historic preservation, and promote economic growth of business districts in the City. The DDA is under the supervision and control of a nine-member board consisting of the mayor and eight members appointed by the mayor and confirmed by the City Commission. Tax increment revenue is the DDA's primary source of financing its programs and activities.

The **Grand Rapids Tax Increment Financing Authority (TIFA)** was created under the provisions of Act 450, Public Acts of 1980 of the State of Michigan, to provide for the development of the Monroe North Development Area through tax increment revenue. The TIFA is under the supervision and control of an 11-member board appointed by the mayor and confirmed by the City Commission.

The **City of Grand Rapids SmartZone Local Development Financing Authority (SmartZone)** was created under the provisions of the Local Development Financing Act, Act 281 of the Public Acts of 1986 of the State of Michigan, as amended by Act 248 of the Public Acts of 2000 of the State of Michigan, to promote economic development within an area, or areas, of specified boundaries. The SmartZone is under the supervision and control of an 11-member board. The mayor appoints 7 members, the Kent County Commission appoints 1, the president of Grand Rapids Community College appoints 1, and the superintendent of the Grand Rapids Public Schools appoints 2. Tax increment revenue from the zone is the authority's primary source of financing its development plan.

The **City of Grand Rapids Brownfield Redevelopment Authority (Brownfield)** was created under the provisions of Act 381, Public Acts of 1996 of the State of Michigan. The purpose of the Authority is to promote the revitalization of environmentally distressed areas within the boundaries of the City. The Authority consists of a seven-member board that has an interest in the revitalization of environmentally distressed properties. Members are appointed by the mayor with City Commission approval.

The City has created six separate Corridor Improvement Authorities (CIAs), detailed below, under the provisions of Act 280, Public Acts of 2005 of the State of Michigan. The primary financing source of each CIA is expected to be property tax increment revenue. The primary purpose of each authority is to plan and propose construction, renovation, repair, or marketing projects that use tax increment revenue to aid the economic growth of the district. Each CIA has a nine-member board appointed by the mayor with the approval of the City Commission. None of the authorities issue separate financial statements. The resources and activities of all six CIAs are aggregated for presentation in these financial statements, with combining schedules included in the supplementary information.

- **The City of Grand Rapids Michigan Street Corridor Improvement Authority (Michigan Street)** - The purpose of the authority is to aid the economic growth of the Michigan Street corridor between Prospect and Plymouth avenues.
- **The City of Grand Rapids North Quarter Corridor Improvement Authority (NQCIA)** - The purpose of the authority is to aid the economic growth of the Plainfield Avenue corridor north of downtown and the two business districts within it.

As of and for the Year Ended June 30, 2024

Note 1 - Significant Accounting Policies (Continued)

- **The City of Grand Rapids Southtown (formerly Madison Square) Corridor Improvement Authority (Southtown)** - The purpose of the authority is to aid the economic growth of six business districts and the corridors connecting them in the south-central area of the City.
- **The City of Grand Rapids Uptown Corridor Improvement Authority (Uptown)** - The purpose of the authority is to assist in the revitalizing of an economically transitioning area located along four commercial corridors in the east-central area of the City.
- **The City of Grand Rapids Grandville-South Division Corridor Improvement Authority** - The purpose of the authority is to aid the economic growth of two corridors, Grandville Avenue from Logan Street to the city limit and South Division Avenue from Hall to Colrain streets.
- **The City of Grand Rapids Westside Corridor Improvement Authority (Westside)** - The purpose of the authority is to aid the economic growth of three business districts and eight commercial streets passing through them in the west-central area of the City.

State of Michigan 61st District Court is one of 104 districts in the State of Michigan District Court system, which in turn is part of the one Court of Justice, established by Article 6 of the Michigan Constitution. The City is the Local Funding Unit (LFU) for the 61st District Court, in accordance with the Revised Judicature Act of 1961, Public Acts 374 and 388 of 1996, and Supreme Court Administrative Order No. 1998-5. In most instances, providing funding gives control; in this case, it does not. Rather, the 61st District Court is subject to control by the Michigan Supreme Court. The 61st District Court has accounts for trust money that are accounted for as liabilities in the fund. The City is financially accountable for the 61st District Court and is required to fund its operations. The 61st District Court does not issue separate financial statements.

Joint Ventures

The joint ventures of the City have not been included in the City's financial statements. They are as follows:

The City of Grand Rapids and County of Kent Joint Building Authority (JBA) was created by the City and the County of Kent, Michigan (the "County") under the provisions of Act 31, Public Acts of 1948 of the State of Michigan (First Extra Session), as amended (MCL 123.951). The JBA is governed by a three-member board of commissioners, of which one member is appointed by the City Commission, one member is appointed by the County Commission, and one member is appointed by joint action of the City Commission and the County Commission. Because it is legally separate from the City, the JBA is not reported as part of the primary government. Summary financial information as of and for the year ended June 30, 2024 is as follows: total assets of \$143,138,480, total liabilities of \$63,481,626, total net position of \$79,656,854, revenue of \$8,892,400, and expenses of \$8,100,705.

The Grand Rapids-Kent County Convention/Arena Authority (C/AA) was created when the City entered into an agreement with the County of Kent, Michigan to establish an authority pursuant to Act 203 of the Public Acts of 1999, the Convention Facility Authority Act (MCL 141.1401). The C/AA is a separate legal entity established for the purpose of acquiring, constructing, and operating convention facilities. The operating agreement provides that any facility operating deficits will be covered first by the net income of other C/AA facilities, second by an operating reserve fund, and third by certain lodging excise tax revenue. The City and the County will share any remaining deficit equally. Summary financial information as of and for the year ended June 30, 2023 is as follows: total assets of \$73,112,127, total liabilities of \$43,492,153, total net position of \$29,619,974, revenue of \$21,970,538, and expenses of \$19,944,389.

As of and for the Year Ended June 30, 2024

Note 1 - Significant Accounting Policies (Continued)

Grand Valley Regional Biosolids Authority was created by the City and the City of Wyoming, Michigan (Wyoming) under the provisions of Act 233, Public Acts of 1955, as amended (MCL 124.281), for the development, construction, and operation of a regional biosolids management project. The City and Wyoming will share equally the initial costs, ongoing administrative costs, and planning and design of the project. The City's current equity interest is \$2,472,900. Articles of incorporation were adopted in April 2004. Summary financial information as of and for the year ended June 30, 2024 is as follows: total assets of \$24,739,292, total liabilities of \$10,286,123, total net position of \$14,453,169, revenue of \$11,735,117, and expenses of \$8,710,846.

Individual audited financial reports of the component units and joint ventures of the City can be obtained from the City Comptroller's Office in City Hall, except for pension fund reports, which can be obtained from the City's Pension Office. Selected reports are also available on the City's website, www.grandrapidsmi.gov, within the Comptroller's Department section and at www.grpensions.org for the retirement system.

City of Grand Rapids
Comptroller's Office
300 Monroe Avenue NW
Grand Rapids, MI 49503
(616) 456-3189

City of Grand Rapids
Pension Office
233 East Fulton Avenue Suite 216
Grand Rapids, MI 49503
(616) 365-5015

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual basis presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between the City's water, sewage, or parking functions and various other functions. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.

Note 1 - Significant Accounting Policies (Continued)

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the City has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition for property taxes and 90 days of year end to be available for other revenue. The following major revenue sources meet the availability criterion: state-shared revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments, federal grant reimbursements, and funds from the national opioid settlement will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow of resources.

Proprietary funds and fiduciary funds, as applicable, use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Accounting

The City accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the City to show the particular expenditures for which specific revenue is used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The City reports the following funds as major governmental funds:

- The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in other funds.
- The **Major and Local Streets Funds** account for the maintenance and construction of all major streets, trunk lines, and local streets. Financing is provided by special revenue from P.A. 51 State Shared Gas and Weight Taxes and charges for various services. These funds also account for an income tax continuation revenue committed to be spent on the improvement of the streets. The City Commission appointed 25 members to the Vital Streets Oversight Commission with the goal of achieving a pavement condition rating of fair to good on 70 percent of the streets over the next 15 years.
- The **General Capital Construction Fund** accounts for the construction of capital projects to be used in governmental activities. Financing is provided by bonds, property taxes, income taxes, transfers from other funds, and contributions from private sources.

As of and for the Year Ended June 30, 2024

Note 1 - Significant Accounting Policies (Continued)

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the City). The City reports the following funds as major enterprise funds:

- The **Water Supply System Fund** accounts for the operation and maintenance, capital additions, improvements, and retirement of revenue bonds of the water supply system. Financing is provided by user charges and contributions by other funds, municipalities, and customers.
- The **Sewer Disposal System Fund** accounts for the operation and maintenance, capital additions, improvements, and retirement of bonds of the sewage disposal system. Financing is provided by user charges, federal grants, and contributions from other funds, municipalities, and customers.
- The **Parking System Fund** accounts for the operations and maintenance, capital additions, improvements, and retirement of bonds of the parking system. The fund was established to provide parking facilities on and off the streets. Financing is provided by user charges.

Additionally, the City reports the following fund type:

- The **Internal Service Funds** account for data processing, fleet management, facilities management, insurance services, and engineering services provided to city departments on a cost reimbursement basis.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the City's programs. Activities that are reported as fiduciary include the following:

- The **Pension and Other Employee Benefit Trust Funds** account for the accumulation of resources to be used for retirement annuity payments and retiree health care payments in appropriate amounts and times in the future.
- The **Custodial Tax Fund** accounts for the collection and distribution of property taxes to other governmental entities.

Specific Balances and Transactions

Cash and Investments

Cash resources of the primary government and component units, except for the pension funds and certain restricted assets related to bond issues, are managed by the city treasurer either in an internal investment pool or through delegation of a portion of the pool to an external investment manager trading an assigned portion of the pool. Each fund's equity in this pool is deemed to be a cash equivalent for financial reporting purposes because cash may be withdrawn at any time without prior notice or penalty.

Bank deposits are stated at cost plus accrued interest receivable. Investments are stated at fair value. Interest income earned as a result of cash and investment pooling is distributed to the appropriate funds.

As of and for the Year Ended June 30, 2024

Note 1 - Significant Accounting Policies (Continued)

Due from Other Governmental Units

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenue at the time reimbursable project costs are incurred. Reimbursements received more than 90 days after year end are not recognized as revenue until the following year. Revenue received in advance of project costs being incurred is unearned revenue. Capital grants for capital asset additions to the proprietary funds are recorded as receivables and a corresponding increase to revenue when reimbursable project costs are incurred.

In evaluating the appropriate accruals for intergovernmental revenue (grants, subsidies, and shared revenue), the legal and contractual requirements of the numerous individual programs are used as guidance. There are essentially two types of revenue. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenue is recognized based upon the expenditures recorded. In the other, moneys are virtually unrestricted as to purpose of expenditure and nearly irrevocable. These resources are reflected as revenue at the time of receipt or earlier if they meet the criterion of availability.

Inventories

Inventories recorded in the proprietary funds are valued at average cost. Governmental funds use the purchases method to account for inventories by charging the inventory items to expenditures at the time of purchase.

Capital Assets

Capital assets, which include property, buildings, equipment, and infrastructure assets, are reported in the applicable columns in the government-wide financial statements. Capital assets having a useful life in excess of one year with costs in excess of threshold amounts are capitalized. Capital assets are valued at historical cost or estimated cost if actual cost is not available. Major outlays for capital assets and improvements (construction in progress) are capitalized as projects are constructed. Donated capital assets are valued at acquisition value on the date of donation. Infrastructure, such as roads, bridges, and traffic signals, was capitalized for the first time in fiscal year 2002. Because a large portion of the assets were donated, transferred from another unit of government, or partially funded by other parties, the capitalization was based on an inventory of the public infrastructure assets.

	Depreciable Life - Years	Threshold
Water mains	75	\$20,000
Sewer service mains	50	20,000
Buildings and structures	20-50	50,000
Equipment	3-30	10,000
Software	5-10	50,000
Land improvements	20	10,000
Leasehold improvements	10	50,000
Infrastructure	20-45	1,000,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is computed using the straight-line method over the estimated useful lives shown in the preceding table.

Unearned Revenue

Unearned revenue represents amounts received through nonexchange transactions prior to all applicable eligibility criteria being met or amounts received through exchange transactions prior to goods or services being provided.

As of and for the Year Ended June 30, 2024

Note 1 - Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The others are deferred resources related to pensions and other postemployment benefits (OPEB) plans that are yet to be recognized in the actuarial calculations of the individual plans.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category, deferred resources due to time restrictions related to special assessments, certain grant receivables, and funds receivable from the national opioid settlement; deferred resources related to OPEB plans that are yet to be recognized in the actuarial calculations of the individual plans; and deferred inflows related to leases where the City is the lessor.

Net Position

Net position of the City is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted. Portions of unrestricted net position are sometimes segregated and designated to indicate that management does not consider them to be available for general operations. Such designations can be increased, decreased, or eliminated at management's discretion.

Net Position Flow Assumption

The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements (as applicable), a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

As of and for the Year Ended June 30, 2024

Note 1 - Significant Accounting Policies (Continued)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. City Commission Policy 700-06 states that a majority vote of the City Commission is required to approve a commitment and a two-thirds majority vote of the City Commission is required to remove a commitment. The City Commission has established a Budget Stabilization Fund as a "rainy day" reserve. Public Act 30 of 1978 governs the size and use of these funds in the State of Michigan. The fund is limited to 15 percent of the General Fund budget. Once committed to budget stabilization, state law allows the use of the funds with a two-thirds vote of the governing body in a limited set of circumstances, primarily to cover expenses in the event of a natural disaster or to prevent an immediate reduction in public services or employment in situations where expected sources of revenue decline from one fiscal year to the next. As required by current accounting standards, the balance of the Budget Stabilization Fund is presented as committed fund balance within the General Fund.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. Per City Commission Policy 700-06, subject - Fund Balance, the City Commission delegates to the city manager or their designee the authority to assign amounts to be used for other specific purposes.

Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The size of the unassigned fund balance shall be maintained, per city policy, at no less than 15 percent of General Fund expenditures. Also, for governmental funds other than the General Fund, if the sum of nonspendable and restricted and committed fund balance exceeds the total amount of fund balance, it may be necessary to report a negative unassigned fund balance amount for those funds.

See Note 18 for future detail on the components of fund balance.

Property and Income Tax Revenue

The City bills and collects its own property taxes. Taxes are levied on July 1 and are due without penalty on or before July 31. The property taxes attach as an enforceable lien on all property as of July 1. Uncollected real property taxes as of March 1 each fiscal year are turned over to Kent County, Michigan for collection. Collection of delinquent personal property taxes remains the responsibility of the city treasurer. Since all city property taxes levied are current receivables, tax revenue is recognized when levied. An allowance reducing revenue is recorded at June 30 for uncollected delinquent personal property taxes and for estimated refunds resulting from property tax appeals.

The City also acts as the billing and collection agent for the State of Michigan; Kent County, Michigan; the local transit authority (the "Interurban Transit Partnership"); and the independent school districts within the city limits. All state and school district taxes are billed with the city taxes on the July 1 levy and due without penalty on July 31. Taxes levied by Kent County, Michigan are primarily billed on July 1 and due on July 31. The remainder are billed on December 1 and due without penalty on or before February 14. Taxes collected on behalf of other governmental units are accounted for in agency funds. Uncollected real property taxes as of March 1 are turned over to Kent County, Michigan for collection. The city treasurer remains responsible for collecting delinquent personal property taxes.

As of and for the Year Ended June 30, 2024

Note 1 - Significant Accounting Policies (Continued)

At July 2023, the total assessed value of all real and personal property in the City subject to ad valorem taxation was \$6,691,557,720 before the reductions described in this paragraph. The assessed value generally represents 50 percent of the estimated current value of the property. Beginning in fiscal year 1995, the State constitution has limited the annual increase in taxable portion of the assessed value of existing property to the lesser of the rate of inflation or 5 percent until a transfer of ownership of the property occurs. At the time of transfer of ownership of property, the assessed value becomes the new base taxable value. The total ad valorem base was reduced by \$3,086,434,980 by this limitation, reducing city tax revenue by approximately \$27,878,224 for fiscal year 2024.

The City's portion of the property tax levy per \$1,000 of taxable value for fiscal year 2024 was based on the following rates:

Purpose	Millage Rate	Revenue
General operating	3.7801	\$ 21,436,938
Promotional and advertising	0.0074 (\$50,000 maximum)	41,631
Refuse collection	1.8000	10,197,848
Library operating and capital	2.2558	12,996,280
Parks	1.1892	6,732,064

An income tax is imposed on income earned within the City, regardless of the residence of the taxpayer, and on all income of city residents. Residents paid 1.5 percent of all taxable income, and nonresidents paid 0.75 percent of taxable income earned within the city limits during fiscal year 2024.

Pensions

The measurement date that the City has chosen for the measurement of the net pension asset or liability to record in the City's financial statements is the plan years ended 6 and 12 months prior to the date of these financial statements. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, for purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, the City has used the same basis as the reporting by the City's pension plans. The City has recognized pension expense only to the extent that the pension system has recorded revenue as of the measurement date. Contributions to the pension plan after the measurement dates used to present the net pension asset or liability are presented as deferred outflows of resources in the current year and will be recognized as pension expense the following fiscal year. Governmental fund financial statements prepared using the current financial resources measurement focus include cash contributions to the pension plans as an expenditure of the current year. The difference between these two measurement focuses is reconciled on the reconciliation statements presented on pages 27 and 30. Amounts due for pension liabilities are liquidated by the governmental funds, mainly the General Fund, or proprietary funds from which the related employees' compensation is paid.

As of and for the Year Ended June 30, 2024

Note 1 - Significant Accounting Policies (Continued)

Other Postemployment Benefit Costs

The measurement date that the City has chosen for the measurement of the net OPEB asset or liability to record in the City's financial statements is the plan year ended 12 months prior to the date of these financial statements. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, for purposes of measuring the net OPEB asset or liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the City has used the same basis as the reporting by the City's OPEB plans. The City has recognized OPEB expense only to the extent that the OPEB plan has recorded revenue as of the measurement date. Contributions to the OPEB plan after the measurement dates used to present the net OPEB asset or liability are presented as deferred outflows of resources in the current year and reduce the net OPEB liability the following fiscal year. Governmental fund financial statements prepared using the current financial resources measurement focus include cash contributions to the OPEB plans as an expenditure of the current year. The difference between these two measurement focuses is reconciled on the reconciliation statements presented on pages 27 and 30. Amounts due for OPEB liabilities are liquidated by the governmental funds, mainly the General Fund, or proprietary funds from which the related employees' compensation is paid.

Compensated Absences

City employees are granted vacation and sick leave in varying amounts based on length of service, terms of collective bargaining agreements, and city policies. Employees are limited by bargaining agreements or policy as to the amount of vacation that can be carried from one calendar year to another. Upon termination, employees are paid for unused vacation at their current rates. Unused accumulated sick leave is paid to employees with 10 or more years of continuous service who retire or resign, as provided by bargaining agreements or policy. It is the City's policy to recognize as a liability the obligation for vacation pay and sick leave in the government-wide and proprietary funds at the time the liability is incurred. In governmental fund statements, only amounts immediately payable due to terminations are reported as liabilities. In governmental funds, the vested portion of compensated absences is reported as part of assigned fund balance.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds is charges to customers for sales or services. Operating expenses for these funds include the cost of sales or services and administrative expenses and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Leases

The City is a lessee for noncancelable leases of various assets. The City recognizes a lease liability and an intangible right-of-use lease asset in governmental and business-type activities.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

As of and for the Year Ended June 30, 2024

Note 1 - Significant Accounting Policies (Continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets, and lease liabilities are reported with noncurrent liabilities in the governmental and business-type activities columns.

The City is a lessor for noncancelable leases of various assets. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts. The City uses the actual rate charged to lessees as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-based Information Technology Arrangements (SBITAs)

The City obtains the right to use vendors' information technology software through various long-term contracts. The City recognizes a subscription liability and an intangible right-of-use subscription asset (the "subscription asset") in the applicable governmental or business-type activities column in the government-wide financial statements.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life.

As of and for the Year Ended June 30, 2024

Note 1 - Significant Accounting Policies (Continued)

Key estimates and judgments related to subscriptions include how the City determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancelable period of the subscription.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets, and subscription liabilities are reported with long-term debt on the statement of net position.

Note 2 - Deposits and Investments

The City maintains an investment pool for most city funds. Each fund's portion of the investment pool is displayed on the balance sheet as equity in pooled cash and investments. The city treasurer is responsible for most investments, with the exception of the resources of the retirement systems' trust funds, which are managed by their own boards of trustees, and the assets of the retiree health care trusts, which are managed by Beaumont Capital Management. The city treasurer has delegated responsibility for investing certain sleeves of the portfolio to external managers where their expertise and market access is judged to be more cost-effective than internal management. The laws of the State of Michigan, the City of Grand Rapids Charter, the city ordinance on investments, and the City's investment policy authorize the treasurer, and any external investment managers contracted by the treasurer, to invest surplus moneys belonging to and under the control of the City in an investment portfolio diversified by type of instrument, issuer, and maturity according to the "prudent person" standard, with the results monitored with the assistance of an external investment consultant. Certain requirements for federal regulation and capital adequacy tests are required of any financial institution or broker-dealer in the investment program. Authorized investments are summarized as follows:

- Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank, savings and loan association, savings bank, or credit union whose deposits are insured by the United States government and that maintains a principal office or branch office in the State of Michigan
- Commercial paper with an original maturity of 270 days or less and rated no less than A-1 (Standard & Poor's), P-1 (Moody's), or F1 (Fitch) by one rating agency where the issuer's long-term debt is at least A1 (Moody's), A+ (Standard & Poor's), or A+ (Fitch)
- Repurchase agreements of 90 days or less collateralized 102 percent by U.S. Treasury or federal agency obligation securities held by the City's custodial bank
- Obligations of the State of Michigan or any of its political subdivisions that, at the time of purchase, were rated at least A or its equivalent
- Banker's acceptances with maturities not exceeding 180 days, rated no less than A-1 (Standard & Poor's), P-1 (Moody's), or F1 (Fitch) at the time of purchase issued by a state or nationally chartered bank with combined capital and surplus of at least \$250 million

As of and for the Year Ended June 30, 2024

Note 2 - Deposits and Investments (Continued)

- Mutual funds, registered under the investment company act of 1940, composed of investment vehicles that are legal for direct investment by local units of government in Michigan, which maintain a constant net asset value per share of \$1.00 and comply with Rule 2a-7 of the Investment Company Act of 1940
- Investment pools organized under the local government investment pools acts and/or investment pools organized under the surplus funds investment pool act, provided the fund has an average maturity less than 90 days

The general policy states that investments should avoid an over-concentration in a specific security, issuer, or investment type. The investment policy specifically requires that the weighted-average life of the portfolio shall not exceed seven years. Certificates of deposit may not exceed a three-year maturity.

The City's investment policy places limits on the amount that may be invested in any one issuer. The policy aggregates both interest-bearing deposits and investments to calculate the concentration percentage. The maximum concentrations by type of investment and issuer are shown below:

	Maximum % by Instrument	Maximum % by Issuer
U.S. Treasury obligations	100.00 %	100.00 %
U.S. governmental instrumentalities securities	100.00	100.00
U.S. government agency securities	50.00	35.00
Repurchase agreements	25.00	5.00
Certificates of deposit	100.00	100.00
Michigan municipal securities	50.00	50.00
Commercial paper	25.00	5.00
Banker's acceptance	25.00	5.00
Money market mutual funds	25.00	25.00
Investment pools	25.00	25.00
Joint interlocal investment ventures	25.00	25.00

For Michigan municipal securities, securities issued by the State of Michigan are limited to a maximum of 50 percent, those issued by political subdivisions are limited to 5 percent.

The investments of the City's two retirement systems and OPEB plans are designed to comply with requirements of the State of Michigan, Public Act 314 of 1965 (MCL 38.1132 et seq), which has numerous investment limitations depending on the type of investment. These restrictions are summarized in Note 7. In addition, contracts between the retirement systems and their investment managers impose additional restrictions on the securities each investment manager may purchase on behalf of the systems. Currently both retirement systems are utilizing the same managers with the same investment mandates, although the individual securities in each portfolio may differ. Each retirement system has a different fiscal year end, which also contributes to differences in the reported portfolio composition. The assets accumulated by a pension and OPEB systems are used to fund liabilities that mature over many future decades. Because of this long-term orientation, they are allowed to invest in assets that have substantially greater risk of decline in value over short time periods than would be prudent for the investments that are used to fund general city functions.

As of and for the Year Ended June 30, 2024

Note 2 - Deposits and Investments (Continued)

Custodial Credit Risk of Bank Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City's deposits may not be returned to the City. The City's investment policy seeks to minimize custodial credit risk by limiting the amount of deposits at each bank, savings and loan, or credit union to the amount of federal deposit insurance unless the institution has a bank rating of three stars or above by Bauer Financial. Most deposits are uninsured and uncollateralized. At year end, the carrying value of the City's and OPEB plans' deposits (included in equity in pooled cash and investments) was \$111,233,893, and the associated bank balances totaled \$112,223,160. Of the bank balances, \$1,500,000 was covered by federal deposit insurance. Accordingly, the remaining deposits of \$110,723,160 were uninsured and exposed to custodial credit risk.

The retirement systems do not maintain any checking or other demand or time deposit accounts. Accounts reported as cash in the statement of fiduciary net position are composed entirely of short-term investments in investment accounts or funds in the custody of the counterparty of an unsettled trade.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the City may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City minimizes custodial credit risk by prequalifying broker/dealers, intermediaries, and advisors with which the City executes investment transactions by a review of references and the net worth of each investment company and by utilizing a third-party custodial bank for safekeeping of purchased securities. At June 30, 2024, all investments were held by the City's agents in the City's name.

For the retirement systems, custodial credit risk is minimized by having most investments either in the form of open end mutual funds or held by the system's agent, Northern Trust Co., in the name of the system. As of December 31, 2023, no investments of the Police and Fire Retirement System (P&F) were exposed to custodial credit risk. As of June 30, 2024, no General Retirement System (GRS) investments were exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the exposure of investments to changes in fair value as interest rates change. The investment policy of the City limits maturities of certificates of deposit to no longer than three years and the weighted-average life of the total portfolio to no longer than seven years to minimize interest rate risk. As a general rule, the treasurer's office avoids the risk that changes in market interest rates will negatively impact any fund by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations. The City avoids the need to sell securities in the open market through the pooling concept where current cash receipts and investment maturities are used to pay any fund's current obligations by changing a fund's equity in the investment pool.

Both retirement systems structure their fixed-income portfolios to be approximately neutral in duration and interest rate risk to that of the benchmark (Bloomberg Barclays U.S. Aggregate Index).

As of and for the Year Ended June 30, 2024

Note 2 - Deposits and Investments (Continued)

At year end, the City, retirement systems, and OPEB plans had the following investments and maturities:

	Primary government				Weighted-average Maturity (Years)
U.S. Treasury notes					1.64
U.S. Treasury inflation-protected securities					4.7
U.S. agency bonds					10.77
Michigan municipal bonds					3.9
Money market mutual funds					0.25
Police and Fire Retirement System at December 31, 2023	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
U.S. government obligations	\$ 51,563,534	\$ -	\$ 6,015,632	\$ 2,938,340	\$ 42,609,562
State and municipal bonds	534,201	-	244,962	-	289,239
Corporate bonds and fixed-income commingled funds	75,562,060	536,346	8,082,858	61,860,762	5,082,094
Asset-backed securities	7,960,720	-	1,459,697	140,662	6,360,361
Cash and money market mutual funds	4,579,643	4,579,643	-	-	-
Investments held as collateral for securities lending	30,732,658	30,732,658	-	-	-
Total	\$ 170,932,816	\$ 35,848,647	\$ 15,803,149	\$ 64,939,764	\$ 54,341,256
General Retirement Systems at June 30, 2024	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
U.S. government obligations	\$ 36,804,913	\$ -	\$ 10,880,924	\$ 6,244,742	\$ 19,679,247
State and municipal bonds	495,913	-	243,417	-	252,496
Corporate bonds and fixed-income commingled funds	82,198,091	246,846	9,909,655	67,352,731	4,688,859
Asset-backed securities	7,112,244	-	904,374	134,320	6,073,550
Cash and money market mutual funds	51,309,754	51,309,754	-	-	-
Investments held as collateral for securities lending	34,852,254	34,852,254	-	-	-
Total	\$ 212,773,169	\$ 86,408,854	\$ 21,938,370	\$ 73,731,793	\$ 30,694,152
OPEB Plans at June 30, 2024	Carrying Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Corporate bonds and fixed-income commingled funds	\$ 34,381,886	\$ 24,482,908	\$ 6,190,267	\$ 3,708,711	\$ -
Cash and money market mutual funds	1,931,390	1,931,390	-	-	-
Total	\$ 36,313,276	\$ 26,414,298	\$ 6,190,267	\$ 3,708,711	\$ -

As of and for the Year Ended June 30, 2024

Note 2 - Deposits and Investments (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The investment policy of the City limits this risk by limiting investments in commercial paper to those rated in one of the two highest classifications established by at least two nationally recognized statistical rating organizations (NRSROs) at the time of purchase and limiting the purchase of municipal obligations to those rated at least A or the equivalent by at least one NRSRO. The investment policy of the City restricts money market mutual funds to those that maintain a constant share value of \$1 but does not require a specific rating. At year end, all such funds are rated AAA by two or more of the NRSROs.

The fixed-income portfolio of both retirement systems invests in both investment-grade bonds, as well as high-yield bonds rated below investment grade; however, the investment policy states the composite credit rating for the entire portfolio is not below an A rating.

As of year end, the credit quality ratings of debt securities (other than the U.S. government) for the City, retirement systems, and OPEB plans are as follows:

Primary Government	S&P Rating or Equivalent				Not Subject to Credit Risk/Not Available
	Total	AAA/A-1	AA/A-2	A/A-3	
U.S. Treasury obligations	\$ 151,356,713	\$ 18,128,975	\$ -	\$ -	\$ 133,227,738
U.S. government agencies	93,400,623	-	93,400,623	-	-
Michigan municipal securities	192,645,527	10,025,560	175,654,842	4,935,131	2,029,994
Commercial paper	127,860,283	118,071,483	-	-	9,788,800
Money market mutual funds	24,537,457	24,537,457	-	-	-
Total	\$ 589,800,603	\$ 170,763,475	\$ 269,055,465	\$ 4,935,131	\$ 145,046,532

Rating	Police and Fire Retirement System at December 31, 2023	General Retirement System at June 30, 2024	OPEB Plans at June 30, 2024
S&P AAA	\$ 58,435,090	\$ 1,356,412	\$ -
S&P AA	1,178,935	978,158	-
S&P A	5,207,472	70,308,046	-
S&P BBB	12,975,630	11,101,835	-
S&P B	100,554	101,233	-
S&P CC	204,912	-	-
S&P D	-	194,952	-
U.S. government obligations - Not subject to credit risk	51,482,346	36,726,837	-
Unrated securities and funds	6,035,576	5,843,688	34,381,886
Total	\$ 135,620,515	\$ 126,611,161	\$ 34,381,886

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The City's investment policy aggregates both deposits and investments to calculate the concentration limitation percentage relative to the entire portfolio. Accounting principles generally accepted in the USA require disclosure of any investments that exceed 5 percent of total investments. Excluded from this reporting requirement are securities issued by, or explicitly guaranteed by, the U.S. government and investments in an investment pool or other fund that is itself a pool of other investments. No investments exceeded 5 percent of total investments in the current year.

As of and for the Year Ended June 30, 2024

Note 2 - Deposits and Investments (Continued)

For the retirement systems, state statute and the systems' investment policies provide that no single issuer will represent more than 5 percent of the total fund. As of each system's fiscal year end, no single issuer within either portfolio represented more than 5 percent of the total fund or of the plan net position.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. In general, the foreign currency exposure for the retirement systems resulting from international investments is not hedged by the investment managers. This exposes the portfolio to foreign currency risk, which is not expected to harm or help the performance of the fund in a significant way over the long term. The principal investment vehicles used for international investing are a U.S.-based institutional mutual fund whose shares are priced in the U.S. dollar and American Depository Receipts, which are negotiable certificates issued by a U.S. bank that are traded in the U.S. in U.S. dollars but represent foreign stock held overseas by the bank. As of the indicated fiscal year ends, the retirement systems had the following U.S. dollar value of investments in foreign securities:

Investment Type	Police and Fire at December 31, 2023	General Retirement System at June 30, 2024
Equities	\$ 134,268,736	\$ 78,720,886
Private equity partnerships	12,443,330	11,872,428
Private credit partnerships	16,517,645	17,122,468
Government obligations	81,187	78,077
Corporate bonds and commingled funds	4,726,946	4,742,389
Total fair value	\$ 168,037,844	\$ 112,536,248

Securities Lending

Public Act 314 permits, and the trustees have implemented, a securities lending program where each system, through The Northern Trust Company (NT), lends its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. Both systems authorized NT to utilize the Core U.S.A. Collateral Section in which all collateral is in U.S. dollars and available to participating lenders who are domiciled or reside in the USA. The system receives only cash collateral. Cash collateral is invested in the short-term investment pool that maintains a maturity independent of, and longer than, the average length of a securities loan. Cash collateral may also be invested separately in term loans, in which case the investments match the loan term. These loans can be terminated on demand by either lender or borrower. Initial collateral levels will not be less than 102 percent of the fair value of the borrowed securities or no less than 105 percent if the borrowed securities and the collateral are denominated in different currencies.

As of December 31, 2023, the Police and Fire Retirement System had the following balances related to securities lending transactions:

Investment Type	Fair Value of Loaned Securities Collateralized by Cash Collateral	Cash Collateral Received
U.S. corporate fixed income	\$ 2,973,254	\$ 3,032,103
U.S. equities	15,725,419	16,157,894
U.S. government fixed income	11,290,334	11,542,661
Total	\$ 29,989,007	\$ 30,732,658

As of and for the Year Ended June 30, 2024

Note 2 - Deposits and Investments (Continued)

As of June 30, 2024, the General Retirement System had the following balances related to securities lending transactions:

Investment Type	Fair Value of Loaned Securities Collateralized by Cash Collateral	Cash Collateral Received
U.S. corporate fixed income	\$ 4,548,961	\$ 4,669,912
U.S. equities	15,653,378	16,110,322
U.S. government fixed income	13,681,141	14,072,020
Total	<u>\$ 33,883,480</u>	<u>\$ 34,852,254</u>

NT shall indemnify the systems against borrower default in compliance with state statutes if it is unable to recover borrowed securities and distributions made during the term of the loan or loans with respect to those securities as a result of NT's failure to: (1) make a reasonable determination of the creditworthiness of a borrower; (2) demand adequate and appropriate collateral on a prompt and timely basis, perfect a security interest, obtain equivalent rights in the collateral, or maintain control of the collateral; or (3) otherwise perform its duties and responsibilities under its agreement with the systems or applicable law. All securities loans can be terminated on demand by either the system or NT and are subject to the performance by both parties of any of their respective obligations that remain outstanding at the time of termination. Upon termination of this program by either party, NT shall terminate all outstanding loans of the securities and shall make no further loans. There are no restrictions on the amount of the loans that can be made. Cash collateral may also be invested separately in term loans, in which case the investments match the loan term. These loans can be terminated on demand either by lender or borrower.

Fair Value Measurements

The City and retirement systems categorize their fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the USA. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant observable inputs, estimated using the matrix pricing technique and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals. Level 3 inputs are those where market data is unavailable and are estimated using the best information available about the assumptions that market participants would use to price a similar asset. Security values are provided by the City's custodial bank using information from a third-party pricing service. Certain assets, such as money market mutual funds and investment pools, are reported at amortized cost. There are no limitation or restrictions on participant withdrawals for the investment pool recorded at amortized cost.

As of and for the Year Ended June 30, 2024

Note 2 - Deposits and Investments (Continued)

The value of the City's investment portfolio at June 30, 2024 was developed using the following inputs:

	Primary Government Fair Value Measurements			Balance at June 30, 2024
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	Investments by Fair Value Level			
U.S. Treasury	\$ 129,162,485	\$ 22,194,228	\$ -	\$ 151,356,713
U.S. government agency	93,400,623	-	-	93,400,623
Michigan municipal securities	-	192,645,527	-	192,645,527
Commercial paper	-	127,860,283	-	127,860,283
Total measured at fair value	<u>\$ 222,563,108</u>	<u>\$ 342,700,038</u>	<u>\$ -</u>	565,263,146
Investments Measured at Amortized Cost				
Money market mutual funds				<u>24,537,457</u>
Total investments				<u>\$ 589,800,603</u>

The value of each retirement system's investment portfolio was developed using the following inputs:

	Police and Fire Retirement System Fair Value Measurements			Balance at December 31, 2023
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	Investments by Fair Value Level			
U.S. government obligations	\$ 29,700,834	\$ 21,862,700	\$ -	\$ 51,563,534
State and municipal bonds	534,201	-	-	534,201
Corporate bonds and fixed-income commingled funds	19,175,045	56,387,015	-	75,562,060
Stocks and equity mutual funds	65,449,153	182,509,146	-	247,958,299
Real estate security fund	24,732,801	-	-	24,732,801
Asset-backed securities	7,960,720	-	-	7,960,720
Commodities	-	23,469,681	-	23,469,681
Private equity partnerships	-	-	33,280,710	33,280,710
Private credit partnerships	-	-	21,126,480	21,126,480
Securities lending collateral pool	30,732,658	-	-	30,732,658
Total measured at fair value	<u>\$ 178,285,412</u>	<u>\$ 284,228,542</u>	<u>\$ 54,407,190</u>	516,921,144
Investments Measured at Amortized Cost				
Money market mutual funds				<u>4,579,643</u>
Total investments				<u>\$ 521,500,787</u>

As of and for the Year Ended June 30, 2024

Note 2 - Deposits and Investments (Continued)

	General Retirement System Fair Value Measurements			Balance at June 30, 2024
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments by Fair Value Level				
U.S. government obligations	\$ 36,804,913	\$ -	\$ -	\$ 36,804,913
State and municipal bonds	495,913	-	-	495,913
Corporate bonds and fixed-income commingled funds	17,963,113	64,234,978	-	82,198,091
Common and preferred stocks and equity mutual funds	62,674,880	148,061,227	-	210,736,107
Real estate security fund	22,550,281	-	-	22,550,281
Asset-backed securities	7,112,244	-	-	7,112,244
Commodities	-	22,173,494	-	22,173,494
Private equity partnerships	-	-	29,993,426	29,993,426
Private credit partnerships	-	-	21,821,038	21,821,038
Securities lending collateral pool	34,852,254	-	-	34,852,254
Total measured at fair value	<u>\$ 182,453,598</u>	<u>\$ 234,469,699</u>	<u>\$ 51,814,464</u>	468,737,761
Investments Measured at Amortized Cost				
Money market mutual funds				<u>51,309,754</u>
Total investments				<u>\$ 520,047,515</u>

The value of the City's OPEB plans investment portfolios was developed using the following inputs:

	OPEB Plans Fair Value Measurements			Balance at June 30, 2024
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets				
Trading securities:				
Corporate bonds and fixed-income commingled funds	\$ 34,381,886	\$ -	\$ -	\$ 34,381,886
Common stocks and equity mutual funds	40,956,417	-	-	40,956,417
Total	<u>\$ 75,338,303</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,338,303</u>

As of and for the Year Ended June 30, 2024

Note 2 - Deposits and Investments (Continued)

The reported net asset values of open-end mutual funds are considered Level 1 inputs because that was the value at which shares could be purchased or sold at the end of the day. Values for most securities in separately managed accounts are also considered Level 1 inputs because they are traded in active markets. The reported value of investments in commingled investment funds and common trust funds are considered Level 2 inputs because there is less transparency into the daily valuation methodology of these investment vehicles. The City estimates the fair value of these investments using interactive data, which uses other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals. The reported value of private equity funds and private credit funds are considered Level 3 inputs because each of the investments within the funds are valued quarterly using judgment and estimates derived from market comparisons. Classification into each level of the hierarchy is determined by the systems' investment consultant. The systems' investment consultant also validates the valuations reported by the investment managers each reporting period.

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

The City follows the following procedures in establishing the budgetary data reflected in the financial statements:

The Uniform Budgeting Act (P.A. 2 of 1968) of the State of Michigan requires that a balanced budget on the modified accrual basis of accounting be adopted annually by the local legislative body in the form of a general appropriation act for the General Fund and all special revenue funds. The City's budget is adopted on the modified accrual basis consistent with accounting principles generally accepted in the USA. Debt service expenditures associated with leases and SBITAs are budgeted at the department level.

On or before the first Tuesday in April, the city manager submits to the City Commission an estimate of the expenditures of the City for the ensuing fiscal year. Such estimates are compiled from and based upon detailed information furnished by the various departments of the city government requiring appropriations.

Public hearings are conducted by the City Commission to obtain taxpayer comments.

On or before the second Monday in May, a separately issued budget report, which demonstrates legal compliance at the legal level of budgetary control, is enacted through passage of an ordinance.

Appropriations are authorized by ordinance at the departmental level within the General Fund and by fund for all other annually budgeted funds, except the Parking System, Sewer Disposal System, Water Supply System, Facilities Management, Information Technology, and Motor Equipment funds, which are budgeted at capital improvement and operations/maintenance account level. This is the legal level of budgetary control. Administrative control is maintained through the establishment of more detailed line-item budgets. Budgeted amounts presented in the financial statements are as originally adopted or as amended by the City Commission during the fiscal year.

The general appropriation ordinance authorizes the chief administrative officer to transfer budgeted amounts between accounts within the same department of any fund upon written request by a department or division head and approval by the city manager. Transfers between departments or between funds must be approved by the City Commission.

Supplemental appropriations are approved by the City Commission in the form of budget ordinance amendments. These appropriations, when required to provide for additional expenditures, are matched by additional anticipated revenue or an appropriation of available fund balance and must be approved by the City Commission.

As of and for the Year Ended June 30, 2024

Note 3 - Stewardship, Compliance, and Accountability (Continued)

The legal level of budgetary control is described above. With the exception of the General Fund, Major and Local Streets funds, and various capital project and grant funds where authorized appropriations span multiple years, funds contain the operations of a single department. For the year ended June 30, 2024, expenditures did not exceed appropriations in any of the annually budgeted governmental funds at the legal level of budgetary control, except for the General Fund Treasury department due to an increase in credit card merchant fee charges and invoices accrued in fiscal year 2024 and in the Vehicle Storage Facility fund due to a required entry to gross up expenditures and other financing sources for a new subscription IT arrangement.

Fund Deficits

The 311 Program Fund, an internal service fund that provides centralized customer services to other city funds, ended the year with a deficit of \$1,139,767. The deficit is solely the result of net pension liability and net OPEB liability, noncurrent liabilities, in the financial statements of full accrual funds. Cash required to pay current operating and capital costs of the fund is provided on an ongoing basis by charges to other funds. Funding will be available from those funds in the future when noncurrent liabilities mature.

The Engineering Services Fund, an internal service fund that provides services to other city funds, ended the year with a deficit of \$774,929. The deficit is solely the result of net pension liability and net OPEB liability, noncurrent liabilities, in the financial statements of full accrual funds. Cash required to pay current operating and capital costs of the fund is provided on an ongoing basis by charges to other funds. Funding will be available from those funds in the future when noncurrent liabilities mature.

The 61st District Court, a discretely presented component unit, had a deficit of \$11,611,437 at June 30, 2024. The deficit is solely the result of net pension liability and net OPEB liability in the financial statements of the full accrual funds. The General Fund is required to provide funding for the 61st District Court, so future funding will be available when needed to fund these liabilities.

Note 4 - Restricted Assets

Certain bond issues require the restriction of assets. The amount of restricted assets is determined by authorized construction projects, requirements specified in bond ordinances, and current bond maturities. Pooled cash is unspent bond proceeds. The funds held by trustee are the Insurance Payment Fund for internal service and restricted for debt service payments in the water and sewer systems.

At June 30, 2024, restricted assets are composed of the following:

	Proprietary Funds			Governmental Funds
	Water Supply System	Sewage Disposal System	Internal Service	General Capital Construction
Funds held by trustee	\$ 10,912,062	\$ 23,499,915	\$ 6,116,533	\$ -
Equity in pooled cash and investments	-	-	-	85,672,947
Loans receivable	339,486	155,415	-	-
Total	\$ 11,251,548	\$ 23,655,330	\$ 6,116,533	\$ 85,672,947

As of and for the Year Ended June 30, 2024

Note 5 - Capital Assets

Capital asset activity of the City's governmental and business-type activities is as follows:

Governmental Activities

	Balance July 1, 2023	Reclassifications	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 27,379,201	\$ 80,341	\$ 3,522,768	\$ -	\$ 30,982,310
Construction in progress	50,711,872	(24,021,456)	30,856,970	(2,762,023)	54,785,363
Easement/Right of way	1,679,745	-	29,791	-	1,709,536
Subtotal	79,770,818	(23,941,115)	34,409,529	(2,762,023)	87,477,209
Capital assets being depreciated:					
Lease assets	73,531	-	84,302	-	157,833
Subscription assets	4,821,244	-	625,264	-	5,446,508
Buildings and structures	183,039,817	469,354	985,017	(1,730,992)	182,763,196
Furniture and equipment	2,639,031	-	-	-	2,639,031
Vehicles	63,848,434	1,773,590	4,199,167	(3,480,460)	66,340,731
Machinery and equipment	32,490,082	796,664	2,291,315	(2,042,471)	33,535,590
Land improvements	72,013,190	373,140	716,188	(104,131)	72,998,387
Software	142,900	-	-	-	142,900
Infrastructure	585,726,110	20,528,367	5,942,101	(240,903)	611,955,675
Subtotal	944,794,339	23,941,115	14,843,354	(7,598,957)	975,979,851
Accumulated depreciation:					
Lease assets	48,586	-	30,972	-	79,558
Subscription assets	1,707,088	-	1,879,331	-	3,586,419
Buildings and structures	127,139,147	-	3,618,475	(1,615,814)	129,141,808
Furniture and equipment	2,636,507	-	1,979	-	2,638,486
Vehicles	39,334,976	-	4,873,185	(3,397,517)	40,810,644
Machinery and equipment	13,903,485	-	1,836,431	(1,754,792)	13,985,124
Land improvements	40,736,689	-	2,395,041	(75,687)	43,056,043
Software	142,900	-	-	-	142,900
Infrastructure	469,003,831	-	13,217,729	(104,203)	482,117,357
Subtotal	694,653,209	-	27,853,143	(6,948,013)	715,558,339
Net capital assets being depreciated	250,141,130	23,941,115	(13,009,789)	(650,944)	260,421,512
Net governmental activities capital assets	\$ 329,911,948	\$ -	\$ 21,399,740	\$ (3,412,967)	\$ 347,898,721

As of and for the Year Ended June 30, 2024

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2023	Reclassifications	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 14,706,068	\$ -	\$ 551,244	\$ (58,486)	\$ 15,198,826
Construction in progress	19,649,474	(13,669,642)	10,000,200	(293,580)	15,686,452
Easement/Right of way	3,728,274	-	290,901	-	4,019,175
Subtotal	38,083,816	(13,669,642)	10,842,345	(352,066)	34,904,453
Capital assets being depreciated:					
Storage tanks	26,562,987	-	-	(36,216)	26,526,771
Buildings and structures	235,696,203	1,720,495	2,503,951	(301,462)	239,619,187
Furniture	752,159	-	-	(463,229)	288,930
Motor vehicles	6,602,741	-	-	(97,197)	6,505,544
Machinery and equipment	345,463,579	4,799,316	3,285,429	(68,873,880)	284,674,444
Sewer service mains	556,853,237	718,513	4,769,509	-	562,341,259
Land improvements	36,684,428	47,961	220,516	(16,199)	36,936,706
Water mains	395,631,654	6,383,357	18,971,985	-	420,986,996
Software	190,958	-	-	-	190,958
Lease assets	3,267,590	-	1,666,606	-	4,934,196
Subscription assets	-	-	1,532,297	-	1,532,297
Subtotal	1,607,705,536	13,669,642	32,950,293	(69,788,183)	1,584,537,288
Accumulated depreciation:					
Storage tanks	15,690,865	-	562,847	(36,216)	16,217,496
Buildings and structures	138,964,278	-	5,252,120	(301,462)	143,914,936
Furniture	745,478	-	235	(463,229)	282,484
Motor vehicles	4,653,901	-	647,414	(97,197)	5,204,118
Machinery and equipment	196,141,741	-	10,636,907	(68,300,432)	138,478,216
Sewer service mains	228,462,580	-	10,563,825	-	239,026,405
Land improvements	25,412,098	-	1,132,671	(16,199)	26,528,570
Water mains	111,143,319	-	5,331,606	-	116,474,925
Software	190,958	-	-	-	190,958
Lease assets	1,137,092	-	656,649	-	1,793,741
Subscription assets	-	-	137,004	-	137,004
Subtotal	722,542,310	-	34,921,278	(69,214,735)	688,248,853
Net capital assets being depreciated	885,163,226	13,669,642	(1,970,985)	(573,448)	896,288,435
Net business-type activities capital assets	\$ 923,247,042	\$ -	\$ 8,871,360	\$ (925,514)	\$ 931,192,888

As of and for the Year Ended June 30, 2024

Note 5 - Capital Assets (Continued)

Component Units

Capital asset activity of the 61st District Court for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated - Construction in progress	\$ 114,048	\$ -	\$ -	\$ 114,048
Capital assets being depreciated:				
Motor vehicles	92,357	-	(20,212)	72,145
Intangibles/Software	150,780	-	-	150,780
Machinery and equipment	13,988	30,730	(13,988)	30,730
Subtotal	257,125	30,730	(34,200)	253,655
Accumulated depreciation:				
Motor vehicles	49,875	7,228	(20,212)	36,891
Intangibles/Software	150,780	-	-	150,780
Machinery and equipment	2,772	915	(2,772)	915
Subtotal	203,427	8,143	(22,984)	188,586
Net capital assets being depreciated	53,698	22,587	(11,216)	65,069
Net 61st District Court capital assets	<u>\$ 167,746</u>	<u>\$ 22,587</u>	<u>\$ (11,216)</u>	<u>\$ 179,117</u>

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As of and for the Year Ended June 30, 2024

Note 5 - Capital Assets (Continued)

Component Units (Continued)

Capital asset activity of the Downtown Development Authority for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Reclassifications	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 11,008,005	\$ -	\$ -	\$ -	\$ 11,008,005
Construction in progress	266,133	(13,924)	53,466	-	305,675
Subtotal	11,274,138	(13,924)	53,466	-	11,313,680
Capital assets being depreciated:					
Motor vehicles	15,000	-	-	-	15,000
Buildings and structures	60,161,125	-	-	-	60,161,125
Machinery and equipment	6,044,760	13,924	-	-	6,058,684
Furniture	2,842,539	-	-	-	2,842,539
Land improvements	7,046,193	-	-	-	7,046,193
Infrastructure	267,779	-	-	-	267,779
Lease asset	316,133	-	182,859	-	498,992
Subtotal	76,693,529	13,924	182,859	-	76,890,312
Accumulated depreciation:					
Motor vehicles	2,301	-	5,007	-	7,308
Buildings and structures	52,933,921	-	2,010,724	-	54,944,645
Machinery and equipment	5,463,223	-	230,351	-	5,693,574
Furniture	2,525,474	-	99,341	-	2,624,815
Land improvements	6,373,443	-	161,908	-	6,535,351
Infrastructure	214,216	-	5,958	-	220,174
Lease asset	125,088	-	89,637	-	214,725
Subtotal	67,637,666	-	2,602,926	-	70,240,592
Net capital assets being depreciated	9,055,863	13,924	(2,420,067)	-	6,649,720
Net Downtown Development Authority capital assets	\$ 20,330,001	\$ -	\$ (2,366,601)	\$ -	\$ 17,963,400

As of and for the Year Ended June 30, 2024

Note 5 - Capital Assets (Continued)

Component Units (Continued)

Capital asset activity of the Tax Increment Financing Authority for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets being depreciated:				
Land improvements	\$ 1,486,800	\$ -	\$ -	\$ 1,486,800
Lease asset	3,088	2,863	-	5,951
Subtotal	1,489,888	2,863	-	1,492,751
Accumulated depreciation:				
Land improvements	1,486,800	-	-	1,486,800
Lease asset	1,900	950	-	2,850
Subtotal	1,488,700	950	-	1,489,650
Net Tax Increment Financing Authority capital assets	<u>\$ 1,188</u>	<u>\$ 1,913</u>	<u>\$ -</u>	<u>\$ 3,101</u>

Capital asset activity of the Corridor Improvement Authority for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets being depreciated - Vehicles	\$ -	\$ 25,550	\$ -	\$ 25,550
Accumulated depreciation - Vehicles	-	(25,489)	-	(25,489)
Net Corridor Improvement Authority capital assets	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 61</u>

Depreciation/amortization expense was charged to programs of the primary government as follows:

Governmental activities:	
General government	\$ 3,069,548
Public safety	1,940,319
Public works	14,316,165
Urban and community development	10,500
Recreation and culture	3,246,763
Internal service fund depreciation is charged to the various functions based on their usage of the asset	5,269,848
Total governmental activities	<u>\$ 27,853,143</u>
Business-type activities:	
Water	\$ 11,662,209
Sewer	19,262,270
Auto parking	3,704,537
Other	292,262
Total business-type activities	<u>\$ 34,921,278</u>

As of and for the Year Ended June 30, 2024

Note 5 - Capital Assets (Continued)

Component unit activities:	
61st District Court	\$ 8,143
Downtown Development Authority	2,602,926
Corridor Improvement Authority	<u>25,489</u>
Total component unit activities	<u><u>\$ 2,636,558</u></u>

Construction Commitments

The City has active construction projects at year end. The major projects include various Water Supply System, Sewage Disposal System, and street construction projects. At year end, the City's major commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Water Supply System - Various water mains and system construction projects	\$ 26,591,145	\$ 2,188,511
Sewer Disposal System - Various sewer mains and system construction projects	7,933,264	328,692
Streets Capital Construction - Various street construction projects	333,482	-
Vital Streets Capital Construction - Various vital street construction projects	<u>5,177,703</u>	<u>211,693</u>
Total	<u><u>\$ 40,035,594</u></u>	<u><u>\$ 2,728,896</u></u>

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As of and for the Year Ended June 30, 2024

Note 6 - Long-term Debt

Long-term debt activity for the year ended June 30, 2024 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Maturity Date Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable							
Direct borrowings and direct placements:							
2017 Capital Improvement Bond Cemeteries	1.5-2.65%	2-21 to 2-27	\$ 1,510,000	\$ -	\$ (365,000)	\$ 1,145,000	\$ 375,000
2013 Capital Improvement Bonds	2.96%	8-20 to 8-29	905,000	-	(115,000)	790,000	120,000
Kent County Drain Commission Contract payable (2016 Floodwalls)	3-5%	11-20 to 11-36	6,620,000	-	(340,000)	6,280,000	355,000
Kent County Drain Commission Contract payable (2014 Floodwalls)	3-4%	11-20 to 11-34	3,070,000	-	(215,000)	2,855,000	225,000
Total direct borrowings and direct placements			12,105,000	-	(1,035,000)	11,070,000	1,075,000
Other debt:							
2024 LTGO Capital Improvement (Amphitheater)	5.00%	4-24 to 4-44	-	18,265,000	-	18,265,000	715,000
2024 LTGO Capital Improvement (Scribner)	5.00%	4-24 to 4-45	-	54,505,000	-	54,505,000	1,315,000
2023 LTGO Capital Improvement (Lyon Square)	5.00%	4-24 to 4-54	-	9,130,000	-	9,130,000	275,000
2021 LTGO Capital Improvement (street lighting)	1.25-4.00%	10-22 to 10-41	11,340,000	-	(470,000)	10,870,000	485,000
2020A Grand Rapids Building Authority	4.0-5.0%	10-33 to 10-39	1,560,000	-	-	1,560,000	-
2020B Grand Rapids Building Authority	0.35-2.25%	10-21 to 10-32	1,650,000	-	(155,000)	1,495,000	160,000
2019A Grand Rapids Building Authority (Condo II-taxable)	5.00%	10-20 to 10-28	6,180,000	-	(910,000)	5,270,000	950,000
2019B Grand Rapids Building Authority (Condo II)	1.9-2.51%	10-20 to 10-28	6,875,000	-	(1,085,000)	5,790,000	1,110,000
2018 LTGO Capital Improvement (street lighting)	3-5%	10-22 to 10-41	7,955,000	-	(265,000)	7,690,000	275,000
2016 LTGO Refunding Bonds	3-5%	10-20 to 10-27	4,225,000	-	(770,000)	3,455,000	805,000
2016 Capital Improvement Bonds Vital Streets	4-5%	4-21 to 4-26	5,785,000	-	(1,835,000)	3,950,000	1,925,000
Total other debt			45,570,000	81,900,000	(5,490,000)	121,980,000	8,015,000
Unamortized bond premiums			3,782,182	8,226,410	(653,023)	11,355,569	-
Total bonds and contracts payable			61,457,182	90,126,410	(7,178,023)	144,405,569	9,090,000
Leases			23,888	84,302	(33,578)	74,612	26,886
SBITAs			2,640,272	514,247	(2,279,542)	874,977	515,627
Compensated absences			16,477,879	11,209,630	(11,353,986)	16,333,523	7,233,474
Insurance claims			6,030,751	33,477,114	(32,356,343)	7,151,522	5,774,133
Total governmental activities			\$ 86,629,972	\$ 135,411,703	\$ (53,201,472)	\$ 168,840,203	\$ 22,640,120

As of and for the Year Ended June 30, 2024

Note 6 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable							
Direct borrowings and direct placements:							
2022 Water Supply System Junior Lien Revenue Bonds	1.875%	10-24 to 10-43	\$ -	\$ 10,102,114	\$ -	\$ 10,102,114	\$ 480,000
2022A Water Supply System Junior Lien Revenue Bonds	1.875%	10-24 to 10-43	-	3,388,615	-	3,388,615	192,500
2014 Water Supply System QECB/IPA	2.54%	1-21 to 1-24	218,199	-	(218,199)	-	-
2016 Water Supply System Junior Lien Revenue Bonds	2.5%	4-24 to 4-36	1,523,008	-	(100,000)	1,423,008	105,000
2015 Water Supply System Junior Lien Revenue Bonds	2.5%	10-24 to 10-36	6,953,063	-	(420,000)	6,533,063	430,000
2014 Water Supply System Junior Lien Revenue Bonds	2.5%	10-24 to 10-34	1,882,840	-	(135,000)	1,747,840	140,000
2012 Water Supply System Junior Lien Revenue Bonds	2.5%	10-24 to 10-33	1,990,930	-	(160,000)	1,830,930	165,000
2012A Water Supply System Junior Lien Revenue Bonds	2%	4-24 to 4-33	378,514	-	(35,000)	343,514	35,000
2011A Water Supply System Junior Lien Revenue Bonds	2.5%	10-24 to 10-31	444,752	-	(45,000)	399,752	45,000
2011B Water Supply System Junior Lien Revenue Bonds	2.5%	4-24 to 4-32	396,549	-	(40,000)	356,549	40,000
2011C Water Supply System Junior Lien Revenue Bonds	2.5%	4-24 to 4-33	1,546,024	-	(140,000)	1,406,024	140,000
2013 Sanitary Sewer System Improvement Junior Lien Revenue Bonds	2%	4-24 to 4-34	664,125	-	(55,000)	609,125	55,000
2011A Sanitary Sewer System Improvement Junior Lien Revenue Bonds	2.5%	4-24 to 4-32	2,374,305	-	(240,000)	2,134,305	245,000
2011B Sanitary Sewer System Improvement Junior Lien Revenue Bonds	2.5%	4-24 to 4-33	915,370	-	(80,000)	835,370	85,000
Total direct borrowings and direct placements			19,287,679	13,490,729	(1,668,199)	31,110,209	2,157,500
Other debt:							
2020 Water Supply System Revenue Refunding Bonds	5%	1-24 to 1-50	25,575,000	-	(470,000)	25,105,000	490,000
2018 Water Supply System Revenue Refunding Bonds	4-5%	1-24 to 1-48	29,615,000	-	(635,000)	28,980,000	665,000
2016 Water Supply System Revenue Refunding Bonds	4-5%	1-24 to 1-46	32,450,000	-	(1,130,000)	31,320,000	1,185,000
2015 Water Supply System Revenue Refunding Bonds	5%	1-24 to 1-35	19,945,000	-	(1,255,000)	18,690,000	1,315,000
2013 Water Supply System Revenue Refunding Bonds	2-4%	1-24 to 1-28	1,200,000	-	(205,000)	995,000	220,000
2021 Sanitary Sewer System Revenue Refunding Bonds	0.30-2.8%	1-24 to 1-42	98,225,000	-	(3,850,000)	94,375,000	6,125,000
2020 Sanitary Sewer System Revenue Bonds	4-5%	1-24 to 1-50	34,290,000	-	(270,000)	34,020,000	285,000
2018 Sanitary Sewer System Revenue Bonds	5%	1-24 to 1-48	38,935,000	-	(815,000)	38,120,000	855,000
2016 Sanitary Sewer System Revenue Refunding Bonds	5%	1-24 to 1-38	40,315,000	-	(1,865,000)	38,450,000	1,960,000
2014 Sanitary Sewer System Revenue Refunding Bonds	5%	1-24 to 1-44	2,185,000	-	(2,185,000)	-	-
2010A Sanitary Sewer System Revenue Bonds (BABs)	6.62-6.72%	1/26 to 1/41	21,330,000	-	-	21,330,000	-
2010 Sanitary Sewer System Revenue Refunding Bonds	5%	1/24 to 1/28	25,270,000	-	(4,575,000)	20,695,000	4,800,000
2016 Limited Tax General Obligation Refunding Bonds	3.5%	10-24 to 10-36	8,725,000	-	(790,000)	7,935,000	830,000

As of and for the Year Ended June 30, 2024

Note 6 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
2020A Grand Rapids Building Authority Bonds	4.0-5.0%	10-24 to 10-35	\$ 3,815,000	\$ -	\$ (225,000)	\$ 3,590,000	\$ 235,000
2020B Grand Rapids Building Authority Bonds	0.35-2.05%	10-24 to 10-35	7,175,000	-	(760,000)	6,415,000	765,000
Total other debt			389,050,000	-	(19,030,000)	370,020,000	19,730,000
Unamortized bond premiums			41,136,914	-	(2,417,872)	38,719,042	-
Total bonds and contracts payable			449,474,593	13,490,729	(23,116,071)	439,849,251	21,887,500
Leases			2,112,559	1,666,606	(662,461)	3,116,704	665,525
SBITAs			-	1,532,297	(123,422)	1,408,875	505,488
Compensated absences			2,978,043	2,404,262	(2,348,978)	3,033,327	1,345,262
Total business-type activities			<u>\$ 454,565,195</u>	<u>\$ 19,093,894</u>	<u>\$ (26,250,932)</u>	<u>\$ 447,408,157</u>	<u>\$ 24,403,775</u>

Component Units

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable - Other debt - 2012 Brownfield Redevelopment Authority Bonds	3-4%	6-21 to 6-32	\$ 1,335,000	\$ -	\$ (130,000)	\$ 1,205,000	\$ 135,000
Leases			191,623	185,722	(90,588)	286,757	90,203
Compensated absences			731,868	642,450	(620,222)	754,096	403,025
Total component units			<u>\$ 2,258,491</u>	<u>\$ 828,172</u>	<u>\$ (840,810)</u>	<u>\$ 2,245,853</u>	<u>\$ 628,228</u>

Revenue bond issues are collateralized by capital assets constructed from bond proceeds. The current debt service requirements are provided by net revenue derived from operations of the various enterprise funds and are specifically restricted, as detailed in Note 4.

Amounts reflected as Kent County Drain Commission Contracts represent the City's liability for intracounty drain improvement projects in which it participated or is participating with Kent County, Michigan.

The City's total bonded debt does not include the 2001 JBA bonds of \$18,237,856. These bonds were issued to finance a substantial portion of the new DeVos Place Convention Center Facility. The bonds are payable from the proceeds of semiannual rental payments in amounts sufficient to pay principal and interest on the bonds. Kent County, Michigan has the sole responsibility for the repayment of this debt through its hotel/motel tax receipts and general assets. The City is not liable for the payment of principal or interest and, therefore, has excluded them from the financial statements.

As of and for the Year Ended June 30, 2024

Note 6 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2025	\$ 1,075,000	\$ 451,798	\$ 8,015,000	\$ 4,742,486	\$ 14,284,284
2026	1,100,000	414,459	7,675,000	5,098,328	14,287,787
2027	1,140,000	374,158	5,860,000	4,775,494	12,149,652
2028	785,000	330,450	6,090,000	4,545,478	11,750,928
2029	825,000	295,477	5,400,000	4,312,415	10,832,892
2030-2034	4,015,000	958,049	17,255,000	19,203,874	41,431,923
2035-2039	2,130,000	145,463	21,605,000	14,916,136	38,796,599
2040-2044	-	-	22,960,000	9,796,341	32,756,341
2045-2049	-	-	11,915,000	5,646,500	17,561,500
2050-2054	-	-	15,205,000	2,355,000	17,560,000
Total	\$ 11,070,000	\$ 2,969,854	\$ 121,980,000	\$ 75,392,052	\$ 211,411,906

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2025	\$ 2,157,500	\$ 617,103	\$ 19,730,000	\$ 14,852,845	\$ 37,357,448
2026	2,195,000	623,030	20,500,000	14,152,345	37,470,375
2027	2,265,000	572,420	21,275,000	13,415,314	37,527,734
2028	2,300,000	520,333	22,070,000	12,637,105	37,527,438
2029	2,360,000	467,322	17,875,000	11,809,629	32,511,951
2030-2034	11,480,569	1,507,369	101,060,000	49,130,575	163,178,513
2035-2039	6,348,911	464,539	77,800,000	30,644,944	115,258,394
2040-2044	2,003,229	52,909	48,775,000	15,963,804	66,794,942
2045-2049	-	-	36,880,000	5,681,200	42,561,200
2050-2054	-	-	4,055,000	178,850	4,233,850
Total	\$ 31,110,209	\$ 4,825,025	\$ 370,020,000	\$ 168,466,611	\$ 574,421,845

Years Ending June 30	Component Unit Activities		
	Other Debt		Total
	Principal	Interest	
2025	\$ 135,000	\$ 43,962	\$ 178,962
2026	135,000	39,238	174,238
2027	140,000	34,513	174,513
2028	145,000	29,437	174,437
2029	155,000	24,181	179,181
2030-2034	495,000	37,500	532,500
2035-2039	-	-	-
2040-2044	-	-	-
2045-2049	-	-	-
2050-2054	-	-	-
Total	\$ 1,205,000	\$ 208,831	\$ 1,413,831

Note 6 - Long-term Debt (Continued)

The City believes it is in compliance with all significant limitations and restrictions contained in various bond indentures.

Worker's Compensation

Although the liability for workers' compensation is recorded in the Insurance Payment internal service fund, it remains a liability of the City. The operating budget of the City reflects the amounts required to pay for these liabilities. These amounts are reported as revenue to the Insurance Payment Fund, which is used to pay actual claims and related costs.

Compensated Absences

The City provides employees with paid time off - including vacation, sick, and compensatory time off for overtime - as defined by collective bargaining agreements and city policies. This liability for unused time is reported in the governmental funds statements as an assigned portion of fund balance under modified accrual accounting and in the government-wide and proprietary funds statements as a liability under the full accrual method of accounting. Amounts due for compensated absences are liquidated as they become payable by the governmental or proprietary funds from which the related employees' compensation is paid. The liability is liquidated primarily from the General Fund, as it contains the most significant compensated absence balance of the governmental funds.

Note 7 - Pension Plans

Plan Description

The City has two single-employer defined benefit pension plans that provide retirement and disability benefits to plan members and beneficiaries. Benefit provisions are established and amended by city ordinance. Each system issues publicly available audited financial reports that include financial statements and required supplementary information. Both systems' financial reports for recent years can be found on the pension systems' website, www.grpensions.org. Copies are also available on the Michigan Department of Treasury website, <http://www.michigan.gov/treasury>, by searching Kent County governments within the Local Audit and Finance Division - Document Search page. The pension systems' website also includes recent actuarial studies with a complete summary of benefit provisions.

Benefits Provided

The Police and Fire Retirement System covers eligible employees who are uniformed police and fire staff regularly employed by the City. Members of this plan are not covered by the federal Social Security program. Benefit provisions provide retirees either an annual noncompounding escalator of 1 percent to each police member's or 1.5 percent to each fire member's retirement allowance after a specified waiting period subsequent to his or her retirement date. Members not eligible for the escalator are eligible for a 13th check that is issued to participants when the average return on the system's investments in the prior five years has exceeded 8.0 percent. Eligibility for either benefit is determined by the member's bargaining unit and termination date.

Note 7 - Pension Plans (Continued)

An eligible employee becomes a participant in the system as of his or her date of permanent employment. The system provides for 100 percent vesting in system benefits with 10 years of credited service. Fire members may elect to retire after attaining age 55 and completing 10 years of service, or upon attainment of their credited service cap. Police members may elect to retire after attaining age 50 and completing 10 years of service. The benefit payable after retirement ranges between 2.0 and 2.8 percent of a member's final average salary (FAS) based on the 3 consecutive years of highest pay rate, up to a maximum percentage of FAS between 80 and 100 percent based on a number of factors, including hire date and contributions into the system. At retirement, an FAS adjustment factor is applied to adjust the retiree's FAS based on a factor representing the group average compensation in excess of the regular pay rate (mostly overtime pay). In fiscal year 2024, those adjustments were 19.2 percent for police members and firefighter members. All plan members are eligible for a duty disability benefit of between 72 and 90 percent of their salary at the time of disability less certain offsets. Plan members are also eligible for a nonduty disability allowance that varies based on bargaining unit, years of service, and age. The surviving spouse of a member who dies prior to retiring is eligible to receive benefits of at least 20 percent of the member's salary. Dependents are eligible for a separate allowance of up to 15 percent of the member's salary until age 18 (age 23 if they are full-time students).

The General Retirement System covers most other eligible employees regularly employed by the City, including the 61st District Court, a component unit of the City. Benefit provisions provide retirees either an annual noncompounding escalator of 1 percent to each member's retirement allowance subsequent to their retirement date or eligibility for a 13th check that is issued to participants when the average return on the system's investments in the prior 5 years has exceeded 8.0 percent. Which of the two benefit enhancements a member is eligible for is determined by the member's bargaining unit and termination date.

An eligible employee became a participant in the system as of their date of permanent employment. The system provides for 100 percent vesting in system benefits with 8 years of credited service. Employees may elect to retire after attaining age 62 and completing 8 years of credited service, or after completing 30 years of service regardless of age. The yearly allowance, payable monthly for life to the retired member, equals the applicable benefit multiplier selected by the member multiplied by the member's final average compensation, multiplied by the years and months of credited service. A reduced benefit is available to members retiring prior to age 62 with less than 30 years of service.

For members of the Crime Scene Technicians group and for members of the ECO I, II, and III group, final average compensation is adjusted each year by a factor that accounts for the average holiday, overtime, shift adjustment, and other forms of compensation that the group earned as a percentage of their pay rate during the previous 5-year period. Those adjustments to the pensions of group members retiring during the year ended June 30, 2024 were 4.8 and 38.7 percent, respectively. For purposes of benefit calculations, the final average compensation is based on the member's 3 highest compensated calendar years of credited service before the end of the calendar year in which the employee attains 40 years of credited service or reaches his or her credited service cap. All plan members are eligible for nonduty disability benefits after completing 10 or more years of credited service and before attaining minimum service retirement age. All plan members are eligible for duty disability retirement benefits prior to attaining minimum service retirement age. Disability retirement benefits are determined in the same manner as retirement benefits and are not subject to an actuarial reduction. Duty disability allowances shall not be less than 50 percent of the member's final average salary, unless the member is a part of the Crime Scene Technician or ECO I, II, and III groups, in which case the allowance shall not be less than 62 percent of the member's final average salary. Benefits are available to a beneficiary if a member dies while in employer service before retiring but after becoming eligible to retire with an immediate allowance.

The General Retirement System was closed to new entrants on June 30, 2014. Current members continue to accrue future benefits. The retirement program created to replace this pension plan is described in Note 14.

Note 7 - Pension Plans (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	<u>Police and Fire Retirement System</u>	<u>General Retirement System</u>
Date of member count (measurement date)	December 31, 2023	June 30, 2024
Retirees and beneficiaries receiving pension benefits	790	1,204
Terminated plan members entitled to but not yet receiving benefits	16	96
Active plan members	<u>482</u>	<u>314</u>
Total employees covered by the plan	<u><u>1,288</u></u>	<u><u>1,614</u></u>

Contributions

The contribution requirements of plan members and the City are based on city ordinance. The funding policy provides that the employer and employee contributions will continue to be made every two weeks when payroll is disbursed. Employee contribution rates vary based on union contracts. The employer contribution is based on an actuarial valuation conducted annually. Both contributions are based on each employee's pensionable wage during the pay period. An experience study is conducted every five years to validate the plan assumptions used to calculate needed contributions. The study covering the five years ended June 30, 2019 and December 31, 2019 was used to set the assumptions used to calculate net pension liability presented herein and future contributions.

For fiscal year 2024, the contribution rates for the Police and Fire Retirement System were 6.86 to 14.62 percent for plan members and 33.16 to 36.36 percent for the City (employer). For fiscal year 2024, the contribution rates for the General Retirement System were 3.00 to 11.54 percent for plan members and 55.54 percent for the City (employer).

Net Pension Liability

The Police and Fire Retirement System has adopted a December 31 year end. The General Retirement System shares a June 30 year end with the City. The measurement dates of the City's net pension liability were December 31, 2023 for the Police and Fire Retirement System and June 30, 2023 for the General Retirement System based on actuarial valuations as of those dates.

As of and for the Year Ended June 30, 2024

Note 7 - Pension Plans (Continued)

Changes in the net pension liability during the measurement year were as follows:

Police and Fire Retirement System

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2022	\$ 659,770,087	\$ 459,630,121	\$ 200,139,966
Changes for the year:			
Service cost	13,092,487	-	13,092,487
Interest	43,692,739	-	43,692,739
Differences between expected and actual experience	6,059,836	-	6,059,836
Contributions - Employer	-	16,366,549	(16,366,549)
Contributions - Employee	-	6,062,639	(6,062,639)
Net investment income	-	50,136,968	(50,136,968)
Benefit payments, including refunds	(38,032,984)	(38,032,984)	-
Administrative expenses	-	(645,899)	645,899
Net changes	24,812,078	33,887,273	(9,075,195)
Balance at December 31, 2023	\$ 684,582,165	\$ 493,517,394	\$ 191,064,771

General Retirement System

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at June 30, 2022	\$ 584,677,526	\$ 436,881,613	\$ 147,795,913
Changes for the year:			
Service cost	3,928,077	-	3,928,077
Interest	38,333,221	-	38,333,221
Differences between expected and actual experience	1,613,525	-	1,613,525
Contributions - Employer	-	11,918,613	(11,918,613)
Contributions - Employee	-	2,410,147	(2,410,147)
Net investment income	-	24,002,408	(24,002,408)
Benefit payments, including refunds	(37,483,996)	(37,483,996)	-
Administrative expenses	-	(648,308)	648,308
Miscellaneous other charges	-	(64,549)	64,549
Net changes	6,390,827	134,315	6,256,512
Balance at June 30, 2023	\$ 591,068,353	\$ 437,015,928	\$ 154,052,425

As of and for the Year Ended June 30, 2024

Note 7 - Pension Plans (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense of \$19,252,750. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police and Fire Retirement System		General Retirement System		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,354,188	\$ -	\$ 461,007	\$ -	\$ 14,815,195	\$ -
Changes in assumptions	5,317,653	-	-	-	5,317,653	-
Net difference between projected and actual earnings on pension plan investments	20,675,679	-	12,710,901	-	33,386,580	-
Employer contributions to the plan subsequent to the measurement date	8,515,187	-	13,497,426	-	22,012,613	-
Total	\$ 48,862,707	\$ -	\$ 26,669,334	\$ -	\$ 75,532,041	\$ -

Deferred outflows of resources and deferred inflows of resources that are the result of differences in expected and actual experience with regard to economic and demographic factors, or from changes in assumptions regarding those factors, are amortized over a closed period equal to the average of the expected remaining period of service for all system members. Those time periods are 4.2 years for the Police and Fire System and 1.4 years for the General Retirement System. The differences between projected and actual investment earnings are amortized over 5 years. The amount reported as deferred outflows of resources for contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense according to the following schedule:

Years Ending June 30	Police and Fire Retirement System	General Retirement System	Total
2025	\$ 14,631,742	\$ 2,103,778	\$ 16,735,520
2026	12,028,963	(2,978,160)	9,050,803
2027	17,330,324	13,109,981	30,440,305
2028	(3,643,509)	936,309	(2,707,200)
Total	\$ 40,347,520	\$ 13,171,908	\$ 53,519,428

As of and for the Year Ended June 30, 2024

Note 7 - Pension Plans (Continued)

Actuarial Assumptions

The total pension liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	Police and Fire Retirement System	General Retirement System
Actuarial measurement date	December 31, 2023	June 30, 2023
Project salary increases	3.00 percent - 20.00 percent	3.00 percent - 7.16 percent
Inflation assumptions	3.00 percent - Wage, 2.25 percent - Price	2.25 percent - Wage, no explicit price inflation
Investment rate of return	6.75 percent	6.75 percent
Discount rate	6.75 percent	6.75 percent
Mortality rates	Pub-2010 amount-weighted Public Safety mortality tables projected using MP-2019 scale	Pub-2010 amount-weighted Public Safety mortality tables projected using MP-2019 scale

Discount Rate

A single discount rate based on the expected rate of return on system investments was used to measure the total pension liability. This single discount rate was 6.75 percent as of the measurement date of both the General Retirement System liability and the Police and Fire Retirement System liability. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate and that both contributions will continue to be made biweekly when wages are paid. Based on these assumptions, both systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members; therefore, the long-term expected rate of return on system investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return and Asset Allocation

The long-term expected rate of return on pension plan investments is determined by each system's board. A formal review of the assumed rate of return expectation occurs at a minimum of every five years in conjunction with the plans' actuarial experience study. During the interval between experience studies, the expectation is tested through occasional asset allocation studies conducted by the systems' investment consultant.

These estimates are then combined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real return by the target asset allocation percentage and by adding expected inflation, 2.31 percent at June 30, 2023 and 2.32 percent at December 31, 2023.

As of and for the Year Ended June 30, 2024

Note 7 - Pension Plans (Continued)

The current asset allocation policy for each pension system and the expected geometric real rate of return (net of projected inflation) of each asset class as of December 31, 2023 and June 30, 2023 is shown below:

Police and Fire Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return December 31, 2023
U.S. equity	17.75 %	5.73 %
Non-U.S. equity	17.75	6.80
Fixed income	24.50	9.15
Treasury inflation-protected securities	5.00	4.33
Real estate securities	5.00	6.00
Private equity	5.00	9.15
Commodities	5.00	5.98
Midstream energy infrastructure	5.00	7.88
Private credit	5.00	9.15
Global low volatility	10.00	6.59

General Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return June 30, 2023
U.S. equity	17.75 %	6.85 %
Non-U.S. equity	17.75	7.74
Fixed income	24.50	4.88
Treasury inflation-protected securities	5.00	4.18
Real estate securities	5.00	6.05
Private equity	5.00	10.09
Commodities	5.00	6.13
Midstream energy infrastructure	5.00	7.94
Private credit	5.00	8.71
Global low volatility	10.00	7.35

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75 percent for the General Retirement System and for the Police and Fire Retirement System, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net pension liability of the Police and Fire Retirement System	\$ 276,604,204	\$ 191,064,771	\$ 120,661,335
Net pension liability of the General Retirement System	218,326,581	154,052,425	99,758,650

Note 7 - Pension Plans (Continued)

Basis of Accounting

The Police and Fire Retirement System's and the General Retirement System's financial statements are prepared using the accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefits are paid monthly and benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Investments

Investments are stated at fair value. Short-term investments may be reported at amortized cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Investments, like private equity, that do not have an established market are reported at estimated fair value. More information on the systems' investments and their valuation is found in Note 2.

The investments of the systems are designed to comply with requirements of the State of Michigan, Public Act 314 of 1965, which has numerous investment limitations depending on the type of investment. The most significant requirements as they impact the systems are as follows:

- Investments in equity securities are limited to 70 percent of the systems' assets, and investments in the stock of any one corporation are limited to 5 percent of the systems' assets.
- Investments in securities traded outside the U.S., or in a foreign currency, are limited to 20 percent of the systems' assets.
- Equity investments in real estate are limited to 10 percent of the systems' assets.
- Investments in state and local government obligations are limited to 5 percent of the systems' assets.
- Investments in derivatives are limited to a notional amount equal to 15 percent of the systems' assets and may not be used to leverage the portfolio.

As of and for the Year Ended June 30, 2024

Note 8 - Pension Plan Allocations

The below schedule provides a summary of all the amounts allocated to various funds within the City's financial statements for both pension plans:

	Primary Government		Component Unit - 61st District Court	Total
	Governmental Activities	Business-type Activities		
Net pension liability	\$ 294,698,486	\$ 36,879,686	\$ 13,539,024	\$ 345,117,196
Pension expense	17,397,301	1,357,202	498,247	19,252,750
Deferred outflows of resources representing contributions subsequent to the measurement date	17,642,216	3,254,095	1,116,302	22,012,613
Deferred outflows of resources representing the differences between expected and actual experience	14,664,315	110,364	40,516	14,815,195
Deferred outflows of resources representing assumption changes	5,317,653	-	-	5,317,653
Deferred outflows of resources representing the net difference between projected and actual earnings on pension plan investments	29,226,521	3,036,852	1,123,207	33,386,580
Amortization of deferred amounts:				
2025	\$ 16,046,989	\$ 497,539	\$ 190,992	\$ 16,735,520
2026	10,025,504	(712,963)	(261,738)	9,050,803
2027	26,149,634	3,138,490	1,152,181	30,440,305
2028	(3,013,638)	224,150	82,288	(2,707,200)
Total	<u>\$ 49,208,489</u>	<u>\$ 3,147,216</u>	<u>\$ 1,163,723</u>	<u>\$ 53,519,428</u>
Sensitivity analysis:				
General Retirement System net pension liability at 5.75 percent discount rate	\$ 146,872,045	\$ 52,266,725	\$ 19,187,811	\$ 218,326,581
General Retirement System net pension liability at 7.75 percent discount rate	67,109,359	23,911,920	8,737,371	99,758,650

As of and for the Year Ended June 30, 2024

Note 9 - Other Postemployment Benefit Trust Funds

The following are financial statements for the individual postemployment health care plans as of and for the year ended June 30, 2024:

	Retiree Health Care Trust Funds			Total
	General Retiree Plan	Police Retiree Plan	Fire Retiree Plan	
Statement of Net Position				
Assets:				
Equity in pooled cash and investments	\$ 675,448	\$ 190,575	\$ 631,597	\$ 1,497,620
Investments held by trustee:				
Cash and money market funds	308,291	1,047,397	575,702	1,931,390
Corporate bonds and fixed-income commingled funds	6,514,262	18,201,836	9,665,788	34,381,886
Common stocks and equity mutual funds	7,756,661	21,664,732	11,535,024	40,956,417
Accrued interest receivable	25,098	68,489	37,212	130,799
Total assets	15,279,760	41,173,029	22,445,323	78,898,112
Liabilities - Vouchers and accounts payable	220,083	158,889	81,419	460,391
Net position	\$ 15,059,677	\$ 41,014,140	\$ 22,363,904	\$ 78,437,721
Statement of Changes in Net Position				
Additions:				
Investment income:				
Interest and dividends	\$ 453,630	\$ 1,146,869	\$ 623,152	\$ 2,223,651
Net increase in fair value of investments	950,040	2,578,745	1,385,505	4,914,290
Net investment income	1,403,670	3,725,614	2,008,657	7,137,941
Employer contributions	1,044,879	109,568	496,508	1,650,955
Total additions	2,448,549	3,835,182	2,505,165	8,788,896
Deductions:				
Benefit payments	3,653,520	2,783,080	1,716,500	8,153,100
Administrative expenses	190,760	205,280	142,918	538,958
Total deductions	3,844,280	2,988,360	1,859,418	8,692,058
Net (decrease) increase in fiduciary net position	(1,395,731)	846,822	645,747	96,838
Net position - Beginning of year	16,455,408	40,167,318	21,718,157	78,340,883
Net position - End of year	\$ 15,059,677	\$ 41,014,140	\$ 22,363,904	\$ 78,437,721

As of and for the Year Ended June 30, 2024

Note 10 - Other Postemployment Benefit Plans

Plan Description

The City has created and administers three single-employer defined benefit (DB) plans to provide other postemployment benefits (OPEB) to eligible retirees. The statements report the net OPEB liability within the individual fund statements similar to the presentation of the net pension liability. Because these plans do not issue separate statements, both GASB 74 and GASB 75 requirements are presented in this note. The measurement date of the City's net OPEB liability is June 30, 2023, while the actuarial valuation date to determine required contributions was June 30, 2022.

The financial statements of each OPEB plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Plan operation is administered by city staff.

The City of Grand Rapids, Michigan has also contracted with the Municipal Employees' Retirement System of Lansing, Michigan to administer a defined contribution (DC) OPEB plan for certain city employees. The MERS Health Care Savings Program is an Internal Revenue Code Section 115 Governmental Integral Part Trust. Participation is mandatory for permanent, full-time employees not covered by one of the DB retiree health care plans described above. Contributions are made every pay period by both the employee and the employer. See Note 14 for more details.

Benefits Provided

The City's OPEB plans provide health care, dental, and vision benefits for eligible retirees and their eligible dependents until the retiree is age 65. Current full-time employees not covered by one of the DB OPEB plans described here are covered by a DC plan created in 2009 and administered by MERS. Information about the DC plan is presented in Note 14. The benefits under all DB plans are closed to new members, but, at retirement (or death or disability), new hires who are members of the DC OPEB plan have the right to purchase the benefit coverage at the premium cost that applies to the entire insurance pool. Because the premium is not age-graded to reflect a retiree's actual age, an implicit rate subsidy is valued as a benefit provided under the DB plans.

Benefits are established through negotiation with employee unions and are similar for all retirees and active employees. Future modifications to the plans would require changes in future labor contracts. Different employee bargaining units have different eligibility standards to qualify for the benefits, which led to the creation of three separate plans: the General Retiree Health Care Plan (General Plan), the Police Retiree Health Care Plan (Police Plan), and the Fire Retiree Health Care Plan (Fire Plan).

Employees Covered by Benefit Terms

The following members were covered by the benefit terms as of the most recent valuation date:

	General Retiree Plan	Police Retiree Plan	Fire Retiree Plan
Date of member count	June 30, 2023	June 30, 2023	June 30, 2023
Retirees and beneficiaries receiving benefit payments	170	147	102
Inactive plan members entitled to but not yet receiving benefit payments	-	11	3
Active plan members	937	279	207
Total plan members	<u>1,107</u>	<u>437</u>	<u>312</u>

As of and for the Year Ended June 30, 2024

Note 10 - Other Postemployment Benefit Plans (Continued)

Contributions

Contribution levels are determined annually by the City Commission during the annual budget process after considering the expected pay-as-you-go cash outlay from each plan for the benefit, the actuarially determined employer contribution (ADEC) calculated by the plans' actuary, and available resources. No contributions are required from current employees covered by the DB plan, but members who retire after March 2010 continue to make the same required monthly insurance premium payment made by current active employees plus an additional amount from a vesting schedule if they have not reached the full retirement age and service requirements in their labor agreement. Earlier retirees continue to receive the benefit under terms in effect at their retirement date. For fiscal year 2024, the City contributed \$1,650,955 to the three plans. Retiree premium payments of \$1,781,245 are shown as a reduction in benefits paid, rather than as revenue. Retiree health care costs are charged to individual funds as a percentage of pensionable wages at rates of 3.30 percent for firefighters, 1.99 percent for police officers, and 3.28 percent for other employees. The DB plans receive all revenue from these charges that are not required to be contributed to the DC OPEB plan.

Net OPEB Liability (Asset)

The City reports the net OPEB liability (asset) on its financial statements using a measurement date of June 30, 2023. Changes in the City's net OPEB liability (asset) resulting from the operation of the three plans during the measurement year ended June 30, 2023 are shown below:

General Retiree Plan

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at June 30, 2022	\$ 28,111,853	\$ 16,164,064	\$ 11,947,789
Changes for the year:			
Service cost	382,721	-	382,721
Interest	1,359,739	-	1,359,739
Differences between expected and actual experience	(4,095,291)	-	(4,095,291)
Changes in assumptions	504,373	-	504,373
Contributions - Employer	-	1,562,491	(1,562,491)
Net investment income	-	1,127,292	(1,127,292)
Benefit payments, including refunds	(2,216,877)	(2,216,877)	-
Administrative expenses	-	(181,562)	181,562
Net changes	(4,065,335)	291,344	(4,356,679)
Balance at June 30, 2023	\$ 24,046,518	\$ 16,455,408	\$ 7,591,110

As of and for the Year Ended June 30, 2024

Note 10 - Other Postemployment Benefit Plans (Continued)

Police Retiree Plan

Changes in Net OPEB Asset	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Asset
Balance at June 30, 2022	\$ 39,211,014	\$ 40,326,994	\$ (1,115,980)
Changes for the year:			
Service cost	472,567	-	472,567
Interest	1,898,441	-	1,898,441
Differences between expected and actual experience	(4,302,013)	-	(4,302,013)
Changes in assumptions	737,275	-	737,275
Contributions - Employer	-	258,037	(258,037)
Net investment income	-	2,733,241	(2,733,241)
Benefit payments, including refunds	(2,956,950)	(2,956,950)	-
Administrative expenses	-	(194,004)	194,004
Net changes	(4,150,680)	(159,676)	(3,991,004)
Balance at June 30, 2023	\$ 35,060,334	\$ 40,167,318	\$ (5,106,984)

Fire Retiree Plan

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at June 30, 2022	\$ 24,410,717	\$ 21,670,742	\$ 2,739,975
Changes for the year:			
Service cost	687,344	-	687,344
Interest	1,185,143	-	1,185,143
Differences between expected and actual experience	(2,775,415)	-	(2,775,415)
Changes in assumptions	453,132	-	453,132
Contributions - Employer	-	798,652	(798,652)
Net investment income	-	1,483,008	(1,483,008)
Benefit payments, including refunds	(2,103,072)	(2,103,072)	-
Administrative expenses	-	(131,173)	131,173
Net changes	(2,552,868)	47,415	(2,600,283)
Balance at June 30, 2023	\$ 21,857,849	\$ 21,718,157	\$ 139,692

The components of the net OPEB liability (asset) of the City of Grand Rapids, Michigan at June 30, 2024 were as follows:

	General	Police	Fire	Total
Total OPEB liability	\$ 25,039,497	\$ 35,090,553	\$ 22,267,816	\$ 82,397,866
Less plan fiduciary net position	(15,059,677)	(41,014,140)	(22,363,904)	(78,437,721)
Net OPEB liability (asset)	\$ 9,979,820	\$ (5,923,587)	\$ (96,088)	\$ 3,960,145

The plan fiduciary net position as a percentage of the total OPEB liability at June 30, 2024 is 60.14 percent for the General Plan, 116.88 percent for the Police Plan, and 100.43 percent for the Fire Plan.

As of and for the Year Ended June 30, 2024

Note 10 - Other Postemployment Benefit Plans (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB recovery of \$8,416,971 from all plans.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	General Retiree Plan		Police Retiree Plan		Fire Retiree Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 17,522,914	\$ -	\$ 18,484,692	\$ 67,443	\$ 11,051,067	\$ 67,443	\$ 47,058,673
Changes in assumptions	1,682,595	1,298,608	2,703,609	1,132,463	1,874,222	779,746	6,260,426	3,210,817
Net difference between projected and actual earnings on OPEB plan investments	461,036	-	847,591	-	507,564	-	1,816,191	-
Changes in proportionate share, or difference between amount contributed and proportionate share of contributions	627,066	627,066	-	-	-	-	627,066	627,066
Employer contributions to the plan subsequent to the measurement date	1,044,879	-	109,568	-	496,508	-	1,650,955	-
Total	\$ 3,815,576	\$ 19,448,588	\$ 3,660,768	\$ 19,617,155	\$ 2,945,737	\$ 11,830,813	\$ 10,422,081	\$ 50,896,556

Deferred outflows of resources and deferred inflows of resources that are the result of differences in expected and actual experience with regard to economic and demographic factors or from changes in assumptions regarding those factors are amortized over a closed period equal to the average of the expected remaining period of service for all plan members. Those time periods are 7.3 years for the Police Plan, 7.6 years for the Fire Plan, and 7.9 years for the General Plan. The differences between projected and actual investment earnings are amortized over 5 years. The \$1,650,955 reported as deferred outflows of resources for contributions subsequent to the measurement date will be recognized as a reduction of net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense according to the following schedule:

Years Ending June 30	General Retiree Plan	Police Retiree Plan	Fire Retiree Plan	Total
2025	\$ (3,801,178)	\$ (5,149,283)	\$ (2,736,565)	\$ (11,687,026)
2026	(3,839,427)	(5,037,816)	(2,865,758)	(11,743,001)
2027	(3,207,939)	(1,903,141)	(1,222,236)	(6,333,316)
2028	(2,731,681)	(1,612,427)	(1,071,432)	(5,415,540)
2029	(1,691,680)	(1,483,856)	(758,532)	(3,934,068)
Thereafter	(1,405,986)	(879,432)	(727,061)	(3,012,479)
Total	\$ (16,677,891)	\$ (16,065,955)	\$ (9,381,584)	\$ (42,125,430)

As of and for the Year Ended June 30, 2024

Note 10 - Other Postemployment Benefit Plans (Continued)

Actuarial Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the actuarial valuation date. Actuarial calculations reflect a long-term perspective and may employ methods and assumptions that are designed to reduce short-term volatility in the value of actuarial assets and liabilities. Significant methods and assumptions are as follows at the actuarial valuation dates noted below:

	General Retiree Plan		Police Retiree Plan		Fire Retiree Plan	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Investment rate of return	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Projected salary increase	3.00 - 7.16%	3.00 - 7.16%	4.00 - 20.00%	4.00 - 20.00%	4.00 - 20.00%	4.00 - 20.00%
Inflation rate	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Health care inflation rate - Medical and drug	7.25% grading to 3.5% in 2038	7.5% grading to 3.5% in 2034	7.25% grading to 3.5% in 2038	7.5% grading to 3.5% in 2034	7.25% grading to 3.5% in 2038	7.5% grading to 3.5% in 2034
Health care inflation rate - Dental and vision	3.5% in all years	3.5% in all years	3.5% in all years	3.5% in all years	3.5% in all years	3.5% in all years

The actuarial assumptions used in the June 30, 2022 and June 30, 2023 valuations were based on the results of an actuarial experience study for the period from January 1, 2015 through December 31, 2019.

Discount Rate

A single discount rate of 5.0 percent was used to measure the total OPEB liability of the three plans as of both June 30, 2023 and June 30, 2024. This single discount rate was based on the expected rate of return on system investments of 5.0 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to or above the actuarially determined employer contribution rates. Each plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members; therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-term Expected Rate of Return and Asset Allocation

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

Investment Type	Expected Real Return	Target Allocation
Global Tactical Asset Allocation	2.60 %	35.00 %
U.S. Core Bonds	2.24	18.00
High yield/emerging market bonds	3.98	2.00
Short-term fixed income	1.49	5.00
U.S. Large Cap Equity	4.79	19.00
U.S. Mid Cap Equity	5.16	4.00
U.S. Small Cap Equity	5.16	3.50
U.S. Developed International Equity	5.19	3.50
Emerging Market Equity	5.98	5.00
Liquid Alternatives	2.38	5.00

As of and for the Year Ended June 30, 2024

Note 10 - Other Postemployment Benefit Plans (Continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following tables present each plan's net OPEB liability (asset) as of the most recent measurement dates. The net OPEB (asset) liability of the Police and Fire plans is allocated to the primary government, and 12.3 percent of the General Plan is allocated to component units, with the rest to the primary government. The liability (asset) is calculated using a single discount rate of 5.0 percent, as well as what each plan's net OPEB liability (asset) would be if it were calculated using a single discount rate that is 1 percentage point lower or 1 percentage point higher:

	June 30, 2024 Single Discount Rate		
	1 Percentage	Current	1 Percentage
	Point Decrease	Discount Rate	Point Increase
	(4.0%)	(5.0%)	(6.0%)
Net OPEB liability of the General Retiree Plan	\$ 11,499,899	\$ 9,979,820	\$ 8,573,367
Net OPEB asset of the Police Retiree Plan	(3,868,213)	(5,923,587)	(7,817,791)
Net OPEB liability (asset) of the Fire Retiree Plan	1,175,060	(96,088)	(1,284,559)
Total	\$ 8,806,746	\$ 3,960,145	\$ (528,983)

	June 30, 2023 Single Discount Rate		
	1 Percentage	Current	1 Percentage
	Point Decrease	Discount Rate	Point Increase
	(4.0%)	(5.0%)	(6.0%)
Net OPEB liability of the General Retiree Plan	\$ 9,056,206	\$ 7,591,110	\$ 6,237,426
Net OPEB asset of the Police Retiree Plan	(2,937,810)	(5,106,984)	(7,350,107)
Net OPEB liability (asset) of the Fire Retiree Plan	1,404,146	139,692	(1,041,119)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate

The following table presents each plan's net OPEB liability (asset) as of the most recent measurement dates. The net OPEB (asset) liability of the Police and Fire Plans is allocated to the primary government, and 6.9 percent of the General Plan is allocated to component units, with the rest to the primary government. The liability (asset) is calculated using each plan's current health care cost trend rate assumption, as well as what each plan's net OPEB liability (asset) would be if it were calculated using a rate that is 1 percentage point lower or 1 percentage point higher:

	June 30, 2024 Health Care Cost Trend Rate		
	1 Percentage	Health Care	1 Percentage
	Point Decrease	Cost Trend Rate	Point Increase
	(1.0%)	(1.0%)	(1.0%)
Net OPEB liability of the General Retiree Plan	\$ 8,253,637	\$ 9,979,820	\$ 11,880,646
Net OPEB asset of the Police Retiree Plan	(8,166,190)	(5,923,587)	(3,550,191)
Net OPEB (asset) liability of the Fire Retiree Plan	(1,739,612)	(96,088)	1,741,375
	June 30, 2023 Health Care Cost Trend Rate		
	1 Percentage	Health Care	1 Percentage
	Point Decrease	Cost Trend Rate	Point Increase
	(1.0%)	(1.0%)	(1.0%)
Net OPEB liability of the General Retiree Plan	\$ 5,916,078	\$ 7,591,110	\$ 9,439,912
Net OPEB asset of the Police Retiree Plan	(7,669,391)	(5,106,984)	(2,590,359)
Net OPEB (asset) liability of the Fire Retiree Plan	(1,483,383)	139,692	1,952,667

As of and for the Year Ended June 30, 2024

Note 10 - Other Postemployment Benefit Plans (Continued)

Basis of Accounting

The plans' financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized biweekly as part of the City's payroll process. Benefit expenses are recognized weekly when invoices are received from the third-party administrator. Investment returns are recognized when they are reported by the custodian.

Assumption Changes

For fiscal year 2024, a decrease in the projected salary increases was reflected in the net OPEB liability (asset).

Rate of Return

For the year ended June 30, 2024, the City calculated the aggregate annual money-weighted rate of return on investments, net of investment expense, as 9.03, 9.55, and 9.58 percent for the General, Police, and Fire Plans, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 11 - Other Postemployment Benefit Plan Allocations

The below schedule provides a summary of all the amounts allocated to various funds within the City's financial statements for all OPEB plans:

	Primary Government		Component Unit - 61st District Court	Total
	Governmental Activities	Business-type Activities		
Net OPEB liability	\$ 5,430,694	\$ 1,364,124	\$ 935,984	\$ 7,730,802
Net OPEB asset	(5,106,984)	-	-	(5,106,984)
OPEB recovery	(7,900,225)	(306,466)	(210,280)	(8,416,971)
Deferred outflows of resources representing contributions subsequent to the measurement date	1,313,955	182,505	154,495	1,650,955
Deferred outflows of resources representing change in proportionate share	-	-	627,066	627,066
Deferred outflows of resources representing the differences between expected and actual experience	67,443	-	-	67,443
Deferred outflows of resources representing assumption changes	5,750,599	302,363	207,464	6,260,426
Deferred outflows of resources representing the net difference between projected and actual earnings on OPEB plan investments	1,676,497	82,848	56,846	1,816,191
Deferred inflows of resources representing the differences between expected and actual experience	(41,749,226)	(3,148,872)	(2,160,575)	(47,058,673)
Deferred inflows of resources representing assumption changes	(2,817,339)	(233,360)	(160,118)	(3,210,817)
Deferred inflows of resources representing change in proportionate share	(498,537)	(128,529)	-	(627,066)

As of and for the Year Ended June 30, 2024

Note 11 - Other Postemployment Benefit Plan Allocations (Continued)

Amortization of deferred amounts:				
2025	\$ (10,535,268)	\$ (782,293)	\$ (369,465)	\$ (11,687,026)
2026	(10,579,654)	(789,151)	(374,196)	(11,743,001)
2027	(5,361,310)	(675,662)	(296,344)	(6,333,316)
2028	(4,587,840)	(590,089)	(237,611)	(5,415,540)
2029	(3,421,489)	(403,197)	(109,382)	(3,934,068)
Thereafter	(3,085,002)	114,842	(42,319)	(3,012,479)
	<u>\$ (37,570,563)</u>	<u>\$ (3,125,550)</u>	<u>\$ (1,429,317)</u>	<u>\$ (42,125,430)</u>
Total				

Sensitivity analysis:				
General Retiree Plan net OPEB liability at 4.00 percent discount rate (June 30, 2023 measurement date)	\$ 6,083,294	\$ 1,856,282	\$ 1,116,630	\$ 9,056,206
General Retiree Plan net OPEB liability at 6.00 percent discount rate (June 30, 2023 measurement date)	4,189,844	1,278,507	769,075	6,237,426
General Retiree Plan net OPEB liability with 1 percentage point decrease in health care cost trend rate (June 30, 2023 measurement date)	3,973,987	1,212,639	729,452	5,916,078
General Retiree Plan net OPEB liability with 1 percentage point increase in health care cost trend rate (June 30, 2023 measurement date)	6,341,040	1,934,931	1,163,941	9,439,912

As of and for the Year Ended June 30, 2024

Note 12 - Interfund Receivables, Payables, and Transfers

The City has developed a central service cost allocation plan using the guidance in federal circular A-87 to charge benefited funds a portion of the cost of providing services that benefit several funds. Services that are not billed on a per unit basis are funded by interfund transfers. Interfund transfers for the year ended June 30, 2024 were as follows:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	General Capital Construction	\$ 2,934,564
	Nonmajor governmental funds	9,692,600
	Parking System	14,000
	Water Supply System	161,079
	Nonmajor enterprise funds	582,000
	Internal service funds	7,006,500
	Total General Fund	20,390,743
Major Streets Fund	Local Streets Fund	2,899,240
	Nonmajor governmental funds	14,263,191
	Total Major Streets Fund	17,162,431
Local Streets Fund	Major Streets Fund	48,960
General Capital Construction Fund	Nonmajor governmental funds	241,528
	Nonmajor enterprise funds	325,000
	Total General Capital Construction Fund	566,528
Nonmajor governmental funds	General Fund	1,553,978
	Major Streets Fund	412,038
	Local Streets Fund	153,595
	Nonmajor governmental funds	3,244,759
	Water Supply System	2,236
	Nonmajor enterprise funds	144,000
	Total nonmajor governmental funds	5,510,606
Water Supply System	Nonmajor governmental funds	22,198
	Internal service funds	40,000
	Total Water Supply System	62,198
Sewage Disposal System	Internal service funds	262,195
Parking System	General Fund	140,000
Nonmajor enterprise funds	Nonmajor governmental funds	1,171,737
Internal service funds	General Capital Construction Fund	6,397,383
	Nonmajor governmental funds	1,733
	Internal service funds	30,000
	Total internal service funds	6,429,116
	Total	\$ 51,744,514

As of and for the Year Ended June 30, 2024

Note 12 - Interfund Receivables, Payables, and Transfers (Continued)

Transfers from the General Fund to other funds represent the movement of unrestricted funds primarily for operations of the other funds. Transfers from the Major Streets Fund to the Local Streets and nonmajor governmental funds are for the purpose of various street projects. Transfers from nonmajor governmental funds to the General Fund are primarily for the purpose of the movement of code compliance and enforcement and refuse funds. Transfers from nonmajor governmental funds to other nonmajor governmental funds are for the purpose of public services, local grant matches, and parks operations. Transfers from internal service funds to the General Capital Construction Fund are for the purpose of the purchase of a new city facility at 1500 Scribner.

Note 13 - Tax Abatements

As of June 30, 2024, the City provided the following tax abatements in accordance with Statement No. 77, as required by the Governmental Accounting Standards Board:

- **Industrial Facilities Exemption:** The purpose of this program is to encourage investment in the renovation and expansion of aging facilities, building of new facilities, and establishment of high-tech facilities. The tax being abated is the real and/or personal property tax and is authorized under Public Act 198 of 1974, as amended, MCL 207.551 et seq., and City Commission Policy 900-09. To be eligible to receive the abatement, applicants must be a qualified business, generally defined as an industrial operator, or a high-technology company; be making an investment in a new or expanded facility and/or investment in new or rehabilitated taxable personal property; and be located in an Industrial Development District or a Plant Rehabilitation District. Taxes are reduced either by (1) the taxable value generated by the eligible investment at the qualifying property, which is placed on the Industrial Facilities Tax Roll, and the millages levied, which are 50 percent of ad valorem millage rates, except for that millage levied for the State Education Tax, which is not reduced (for new facilities), or (2) the taxable value of the replacement facility, which is set (frozen) at the taxable value of the qualifying property for the tax year immediately preceding the effective date of the exemption (for replacement facilities). The abated amount is determined either as (1) equal to the qualifying taxable value applied to the reduction in the total millage rate levied on the Industrial Facilities Tax roll (for new facilities) or (2) equal to the delta between the taxes levied on the taxable value in the year immediately preceding the effective date of the exemption and the taxes that would have been levied on the current taxable value in any given year (for replacement facilities). For fiscal year 2024, the City abated \$220,480 of taxes under this program. The applicant and the City enter into a Memorandum of Agreement, by which the applicant agrees to pay (for distribution to the various tax collecting authorities) an amount equal to the amount of the taxes abated if it does not meet the job creation or private investment estimates contained in its application.
- **Obsolete Property Rehabilitation Exemption:** The purpose of this program is to encourage investment in the significant renovation and/or rehabilitation of obsolete buildings for commercial use. The tax being abated is the real property tax and is authorized by Public Act 146 of 2000, as amended, MCL 125.2781 et seq., and City Commission Policy 900-42. To be eligible to receive the abatement, the property must be functionally obsolete, as determined by the city assessor, as defined in the legislation. The project must be for a project that will have a commercial or commercial housing use. In addition, the City requires a minimum investment of \$30 per square foot in the rehabilitation of a building. The taxable value of the qualifying property is set at the taxable value assigned in the year immediately preceding the effective date of the exemption certificate. New taxable value in excess of the frozen taxable value is exempted from certain millages levied on real property for a period of 1-12 years. For fiscal year 2024, the City abated \$272,702 of taxes under this program. The applicant and the City enter into a Memorandum of Agreement, by which the applicant agrees to pay (for distribution to the various tax collecting authorities) an amount equal to the amount of the taxes abated if it does not meet the job creation or private investment estimates contained in its application.

As of and for the Year Ended June 30, 2024

Note 13 - Tax Abatements (Continued)

- **New Personal Property Exemption:** The purpose of this program is to encourage investment in new personal property as a component of a business expansion or attraction project. The tax being abated is the personal property tax and is authorized under Public Act 328 of 1998, as amended, MCL 211.9f, and the City Commission Policy 900-38. To be eligible to receive the abatement, the property must be an eligible business, which is a business primarily engaged in manufacturing, mining, research and development, wholesale trade, or office operations. The eligible personal property that is placed in service after the date of approval by the City Commission is exempt from all personal property taxes. For fiscal year 2024, the City abated \$109,769 of taxes under this program. The applicant and the City enter into a Memorandum of Agreement, by which the applicant agrees to pay (for distribution to the various tax collecting authorities) an amount equal to the amount of the taxes abated if it does not meet the job creation or private investment estimates contained in its application.
- **Neighborhood Enterprise Zone Exemption:** The purpose of this program is to encourage investment in the construction or rehabilitation of multiple types of housing for both homeownership and rental. The tax being abated is the real property tax, and is authorized by Public Act 147 of 1992, as amended, MCL 207.771 et seq., and City Commission Policy 900-45. To be eligible to receive the abatement, the property must be located in a Neighborhood Enterprise Zone (NEZ), as established by the City Commission. A qualifying project involves the construction of new housing for either homeownership or rental. A rehabilitation project involves the rehabilitation of existing housing and requires a minimum investment in the rehabilitation. The new construction project must include rental apartments, contain retail space on the first floor, and be located in a Downtown Revitalization District. Taxes are reduced by either of the following methods: (1) the rate of taxation is equal to half of the average rate of taxation levied on commercial, industrial, and utility property in the state in the immediately preceding calendar year (for new facilities), or (2) the taxable value is set at that value established in the year immediately preceding the effective date of the NEZ exemption for a property (for rehabilitation facilities). The abated amount is determined either as (1) the taxable value of the qualifying property times the difference between the NEZ millage rate and the ad valorem millage rate (for new facilities) or (2) the difference between the taxes that would be levied on the current taxable value and the NEZ taxes levied on the value of the qualifying property in the year immediately preceding the effective date of the exemption certificate (for rehabilitation facilities). For fiscal year 2024, the City abated \$193,812 of taxes under this program. There are no provisions to recapture abated taxes.
- **Brownfield Redevelopment Program:** The purpose of this program is to encourage investment in the revitalization, redevelopment, and reuse of certain properties considered contaminated, blighted, functionally obsolete, or historic resources. The tax being abated is the real and/or personal property tax and is authorized by Public Act 381 of 1996, as amended, MCL 125.2651 et seq. To be eligible to receive the abatement, the property must be included in a Brownfield Plan and qualify as either a facility/site, functionally obsolete, blighted, historic resource, transit-oriented property/development, or a targeted redevelopment area. The City of Grand Rapids, Michigan has designated the entire City as an eligible Brownfield District. The beneficiary's taxes are not reduced but are captured and reimbursed, thereby reducing the effective rate of taxation. Upon paying its taxes, a participant is eligible to be reimbursed, from a portion of its taxes paid by the Brownfield Redevelopment Authority for the documented costs of its eligible activities, thereby reducing the effective tax that is paid. The amount of taxes not collected by local taxing authorities is generally any amount of taxes in excess of those taxes paid in the year immediately preceding approval of a Brownfield Plan Amendment. For fiscal year 2024, the City abated \$2,696,651 of taxes under this program. Reimbursement is made pursuant to the terms and conditions of a Development and Reimbursement Agreement between the applicant and the Brownfield Redevelopment Authority. If taxes are captured and the terms and conditions of the Development and Reimbursement Agreement for the project are violated, the taxes may be returned to the taxing authorities that would otherwise have received the taxes. The types of commitments made by the City other than to reduce taxes, from time to time, are the City and/or the Brownfield Redevelopment Authority participating in a project by making investments in public infrastructure surrounding a project.

As of and for the Year Ended June 30, 2024

Note 13 - Tax Abatements (Continued)

- **Renaissance Zones:** The purpose of this program is to encourage new job creation and investment in commercial or industrial property in areas formerly included in geographic-based renaissance zones. The tax being abated is real and/or personal property tax and income taxes and is authorized by Public Act 376 of 1996, as amended, MCL 125.2681 et seq., and City Commission Policy 900-48. To be eligible to receive the abatement, the property must be located in an existing geographic renaissance zone, and the applicant must be proposing to undertake a project at the property that involves private investments and creates jobs. The real and personal property taxes are abated for a period of up to 15 years. The abatement is 100 percent of these taxes, with a 3-year phase-in of taxes in 25 percent increments for the final three years of a zone designation. As the eligible property is exempt from taxes, the full amount of taxes that would have been paid is the amount of the abatement, which amounted to \$32,143 for fiscal year 2024. Local income taxes are abated in the same manner. Property owners are still required to pay the taxes necessary for local school district bond obligations. There are no provisions to recapture abated taxes.
- **Payment in Lieu of Taxes:** The purpose of this program is to encourage development of affordable housing projects by keeping expenses reasonable and rent affordable, thus reducing the risk to developers and investors and allowing initial capital to fund the project. The tax being abated is real property tax. The abatement is authorized by Public Act 346 of 1966, as amended, MCL S125.1415a et seq., and local ordinance (Article 5, Chapter 9 of the City Code). To be eligible to receive the abatement, a housing project must meet all of the following criteria: (1) projects that are financed with a federally aided or state housing development authority-aided mortgage or with an advance or grant from such authority; (2) projects that serve lower-income families, the elderly, and/or the handicapped; and (3) projects that are owned by "consumer housing cooperatives," "qualified nonprofit housing corporations," and "limited dividend housing associations," as defined in Act No. 346 of the Public Acts of 1966, as amended. 100 percent of ad valorem property taxes on the qualified property are exempted; a service fee is assessed in lieu of the taxes, which is equal to 4 percent of annual shelter rent. Emergency shelters and transitional housing for the homeless are not assessed a service charge in lieu of property taxes. For fiscal year 2024, the City abated \$1,164,374 of taxes under this program. Ad valorem property taxes may be assessed if the property owner is not current with all taxes and assessments on the subject property and/or does not submit to the city assessor an audited financial statement for each calendar year.
- **Air and Water Pollution Control:** The purpose of this program is to encourage establishment of facilities whose sole purpose is to control and/or dispose of environment pollutants. The tax being abated is real and/or personal property tax and sales taxes. The abatement is authorized by Public Act 451 of 1994, as amended, MCL 324.5901 et seq. (Air Pollution), and MCL 324.3701 et seq. (Water Pollution). To be eligible to receive the abatement, facilities must be designed and operate primarily for the purpose of controlling and/or disposing of air pollutants and/or industrial waste from water. 100 percent of the property and sales taxes on the qualifying property are exempted. As the eligible property is exempt from taxes, the full amount of taxes that would have been paid is the amount of the abatement, which amounted to \$9,998 for fiscal year 2024. There are no provisions to recapture abated taxes.

Note 14 - Deferred Compensation Plans

In 2011, the City created the City of Grand Rapids Defined Contribution (CGRDC) Plan for most newly hired full-time, nonuniformed employees. This retirement arrangement is mandatory for new employees under most labor contracts and replaces the formerly required participation in the City of Grand Rapids General Retirement System defined benefit pension plan described in Note 7. The plan is administered by the ICMA Retirement Corporation (ICMA-RC) in accordance with Section 401(a) of the Internal Revenue Code (IRC), a Trust Document with the Vantage Trust Company, and an Administrative Services Agreement approved by the City Commission. Participation in the CGRDC Plan begins six months after date of hire and requires an employee contribution of 6 percent of pay, with an employer match of 7 percent of pay for most units. Contribution requirements are specified in labor agreements covering each employee group and may be changed during the collective bargaining process. Five-year cliff-vesting applies to the employer contributions. During the fiscal year ended June 30, 2024, employee contributions were \$2,996,142 and employer contributions were \$3,042,977 to this plan. At June 30, 2024, the plan had 677 active and 197 terminated participants. The fair value of plan assets was \$38,794,996.

As of and for the Year Ended June 30, 2024

Note 14 - Deferred Compensation Plans (Continued)

The City also maintains the Officer's Option Plan, a defined contribution contributory savings plan created in accordance with IRC Section 401(a) administered by ICMA-RC and offered to executive and appointed employees. The plan was established and may be amended by city ordinance. Participants of the 401(a) plan may not participate in the City's defined benefit pension plans. Participants are immediately vested in required employee contributions of 6 percent, optional contributions of 1 to 3 percent, and employer contributions of 12 percent of employees' current salaries. Plan contributions are maintained with earnings in a deferred account for each participant. At June 30, 2024, there were 14 active and 23 terminated plan participants with a total fair value of plan assets for both active and retired participants of \$12,512,650. Contributions made by employees and the City totaled \$105,536 and \$146,890, respectively, for the fiscal year ended June 30, 2024.

The City offers its employees deferred compensation plans created in accordance with IRC Section 457. The plans, available to all city employees, permit the voluntary deferral of a portion of current salary until future years. The deferred compensation is not available to the employee until termination, retirement, death, or listed emergency. All amounts of compensation deferred under the plan; all property and rights purchased with such amounts; and all income attributable to such amounts, property, or rights are solely the property rights of each individual participant. At June 30, 2024, the total fair value of plan assets was \$113,917,587. Net of the effect of employee contributions, withdrawals, and earnings, the fair value of plan assets increased by \$8,518,132 for the year ended June 30, 2024. It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent administrator.

All permanent, full-time employees who are not covered by one of the City's defined benefit retiree health care plans described in Note 10 are enrolled in an agent multiemployer defined contribution postemployment health care program administered by the Municipal Employees' Retirement System of Michigan. This program is defined in Internal Revenue Code Section 115 as a Governmental Integral Part Trust. After 6 months of employment, biweekly deposits are made into each employee's individual account in amounts determined by labor agreements or personnel policies. Following a 24-month phase-in period after initial employment, an employee's mandatory biweekly contribution will be between \$38.46 and \$42.31, depending on labor agreement. The employee's contribution vests immediately. The employer's contribution steps up over the same time period until it reaches \$67.30 to \$76.93 biweekly, which will vest after an 8- or 10-year period, as specified in each labor agreement. Withdrawals from each employee's account are permitted at any time after separation from employment but only for medical expense reimbursement to the former employee or legal dependents. At June 30, 2024, 1,206 employees were participating in this defined contribution retiree health care plan. For the fiscal year ended June 30, 2024, regular contributions made by employees and the employer totaled \$1,039,493 and \$2,085,414, respectively. As the current participants in the defined benefit retiree health care plans described in Note 10 reach age 65, this defined contribution savings program will become the primary and, eventually, the City's only retiree health care plan.

Note 15 - Leases

The City leases certain assets from various third parties. The assets leased include parking spaces, equipment, and office buildings. Payments are generally fixed monthly.

Lease asset activity of the City is included in Note 5 - Capital Assets.

As of and for the Year Ended June 30, 2024

Note 15 - Leases (Continued)

Future principal and interest payment requirements related to the City's lease liability at June 30, 2024 are as follows:

Years Ending	Governmental Activities		Business-type Activities		Component Units		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2025	\$ 26,886	\$ 2,101	\$ 665,525	\$ 62,747	\$ 90,203	\$ 33,689	\$ 881,151
2026	27,973	1,324	673,413	56,170	89,548	32,625	881,053
2027	15,726	387	115,907	49,478	90,454	17,625	289,577
2028	4,027	21	119,900	46,877	16,552	84	187,461
2029	-	-	124,024	44,186	-	-	168,210
2030-2034	-	-	592,258	177,512	-	-	769,770
2035-2039	-	-	495,571	99,449	-	-	595,020
2040-2042	-	-	330,106	16,988	-	-	347,094
Total	\$ 74,612	\$ 3,833	\$ 3,116,704	\$ 553,407	\$ 286,757	\$ 84,023	\$ 4,119,336

The City leases certain assets, primarily among which are cellular communication towers and office buildings, to various third parties. Payments are generally fixed monthly.

During the year ended June 30, 2024, the City recognized the following related to its lessor agreements:

	Governmental Activities	Business-type Activities
Lease revenue	\$ 33,000	\$ 670,824

Note 16 - Subscriptions

The City obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed monthly.

Subscription asset activity of the City is included in Note 5 - Capital Assets.

Future principal and interest payment requirements related to the City's subscription liability at June 30, 2024 are as follows:

Years	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 515,627	\$ 20,559	\$ 505,488	\$ 30,312	\$ 1,071,986
2026	351,897	7,402	518,606	17,194	895,099
2027	7,453	47	384,781	4,119	396,400
Total	\$ 874,977	\$ 28,008	\$ 1,408,875	\$ 51,625	\$ 2,363,485

Note 17 - Commitments, Contingencies, and Related Party Transactions

- Federal and State Grants - The City has received several federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although no amounts have been claimed, such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The City believes such disallowance, if any, will be immaterial.
- Remediation Sites - The City has reached remediation agreements with the appropriate regulatory bodies and continues to perform maintenance and monitoring activities. There are no current legal issues at this time.

As of and for the Year Ended June 30, 2024

**Note 17 - Commitments, Contingencies, and Related Party Transactions
(Continued)**

- Litigation - In the normal course of its activities, the City becomes a party in various legal actions. In the opinion of the city attorney, adequate reserves have been established for the potential liability for all claims.
- Commitments - The cities of Grand Rapids and Wyoming, Michigan operate the Grand Valley Regional Biosolids Authority. Its facilities were constructed with initial financing in the amounts of \$16,430,000, at an interest rate of 1.625 percent, and \$17,675,000, at an interest rate of 2.5 percent, provided by the State of Michigan Water Pollution Control Revolving Fund. At June 30, 2024, the outstanding liability was \$9,890,000. Principal and interest payments are split between the two cities based on their usage of the facility. For fiscal year 2024, the City's portion of the liability was 62.60 percent. For fiscal year 2025, it is budgeted at 60.50 percent.
- Conduit Debt - The City sometimes issues certain limited-obligation revenue bonds for the express purpose of providing capital financing for specific third parties. These debt issues are not an obligation of the City and, therefore, are not reported as such. The City provides no commitments regarding the debt outside of maintenance of the tax-exempt status. The outstanding amount of conduit debt at June 30, 2024 was \$161,936,818.
- Miscellaneous Receivable - The City entered into an agreement with the Public Museum of West Michigan and the Public Museum of Grand Rapids Friends Foundation in July 2007. The museum uses the museum building from the City for \$1 per year for a period of 99 years, with an option to renew for an additional 50-year term to be exercised by the mutual consent of the City and the Public Museum of Grand Rapids Friends Foundation. The City retains title to the buildings and all improvements, fixtures, or other types of fixed property appurtenant to the buildings and property located thereon, as well as the collection on display at the public museum. In accordance with the lease agreement, the City also retains a reversionary interest in the museum's inventory and petty cash, valued at \$51,776 and \$12,725, respectively, at June 30, 2024. In the event that museum operations should ever revert to the City, these items would be returned to the City at their value on the day of reversion.

Note 18 - Fund Balance Constraints

The detail of the various components of governmental funds fund balance is as follows:

Nonspendable:	
Inventory	\$ 2,308,041
Nonexpendable/Endowment	3,201,230
	<hr/>
Total nonspendable	5,509,271
Restricted:	
General government - Michigan Indigent Defense Commission	167,759
Public safety - Law enforcement	2,022,408
Urban and community development:	4,845,166
Culture and recreation:	
Library programs	454,296
Parks and recreation	2,960
Statue maintenance	116,071
Public works - Major and local street work	27,427,525
Authorized projects - Capital projects-bond proceeds	84,692,747
Opioid settlement	2,109,746
	<hr/>
Total restricted	121,838,678

As of and for the Year Ended June 30, 2024

Note 18 - Fund Balance Constraints (Continued)

Committed:	
Authorized projects - Streets capital projects	\$ 22,140,914
Authorized projects - Parks capital projects	4,005,142
General capital projects	35,966,402
Urban and community development:	
Participatory budgeting	1,685,442
Affordable housing	2,836,596
Other	132,862
Other purposes:	
Budget stabilization	17,798,835
Perpetual care - Cemetery	1,879,129
	<hr/>
Total committed	86,445,322
Assigned:	
Culture and recreation:	
Library programs	5,859,177
Parks and recreation	4,871,158
General special revenue	54,836
Urban and community development:	
Building inspections	6,585,905
Property management	257,147
Economic development	452,815
Public works:	
Refuse	7,300,608
Sidewalk repair	3,012,121
Vehicle storage	737,423
Ensuing budget year	19,432
Compensated absences	14,371,632
Other purposes:	
Debt service	1,738,103
Encumbrances - General Fund	886,145
	<hr/>
Total assigned	46,146,502
Unassigned	<hr/>
	78,361,443
	<hr/>
Total fund balance	\$ 338,301,216
	<hr/> <hr/>

Note 19 - Risk Management

The City is predominantly self-insured (general liability, workers' compensation, and health). It is the City's policy to recognize the cost of self-insured claims at the time the liability is incurred in the enterprise funds and the Insurance Payment internal service fund, as applicable. Budgetary appropriations are made to the extent that current claims can be anticipated. Changes in the balances of claim liabilities are as follows:

	<u>2024</u>	<u>2023</u>
Unpaid claims - Beginning of year	\$ 6,030,751	\$ 5,963,611
Incurred claims - Net of changes in estimates	34,895,632	25,560,972
Claim payments	<u>(33,774,861)</u>	<u>(25,493,832)</u>
Unpaid claims - End of year	<u>\$ 7,151,522</u>	<u>\$ 6,030,751</u>

The extent of purchased insurance coverage (i.e., property, workers' compensation, and general liability stop-loss coverage) has not changed significantly from previous years. Settlements, if any, on losses covered by insurance have not exceeded insurance coverage for each of the past three fiscal years.

As of and for the Year Ended June 30, 2024

Note 20 - Subsequent Events

On September 6, 2024, the City committed to the issuance of a maximum of \$12,930,000 and \$17,530,000 of Water Supply System Junior Lien Revenue Bonds, Series 2024A and 2024B, respectively. The bonds will be issued in draws required to meet project expenditures related to improvement to the City's Water Supply System. The interest rate is 2 percent on Series 2024A and 2.5 percent on Series 2024B. Assuming the City borrows the full amount of the bonds, there is possible principal forgiveness of \$6,465,000 and \$8,815,000, bringing the total principal owed to \$6,465,000 on Series 2024A and \$8,715,000 on Series 2024B. Principal payments for both issues commence in October 2026.

On September 17, 2024, the City issued General Obligation Limited Tax Parks and Recreation Bonds in the amount of \$20,740,000, with an interest rate of 5 percent and maturities of various amounts from October 1, 2025 to 2044. The net proceeds of \$23,404,186 (including premium of \$2,732,382 less underwriters discount of \$68,196) will be used for issuance costs of the bonds and certain improvements to various City parks and the City's streetlighting system.

Note 21 - Upcoming Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2025.

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2026.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-of-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. The statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2026.

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Required Supplementary Information

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Required Supplementary Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Taxes:				
Property taxes	\$ 16,670,103	\$ 16,784,376	\$ 17,693,882	\$ 909,506
Income taxes	100,330,055	100,330,055	113,220,334	12,890,279
Intergovernmental:				
Federal grants	7,949,637	7,949,637	3,645,227	(4,304,410)
State sources:				
State-shared taxes	25,050,276	25,050,276	24,980,285	(69,991)
State grants	1,122,397	1,122,397	1,689,636	567,239
Other grants and contributions	2,284,606	2,284,606	3,628,444	1,343,838
Charges for services	13,407,860	13,407,860	13,089,382	(318,478)
Fines and forfeitures	2,216,000	2,216,000	2,011,530	(204,470)
Licenses and permits	2,987,459	2,987,459	3,653,677	666,218
Investment earnings	3,837,862	3,837,862	8,187,335	4,349,473
Other revenue	348,576	514,181	305,198	(208,983)
Total revenue	176,204,831	176,484,709	192,104,930	15,620,221
Expenditures				
Current services:				
General government	42,120,618	45,040,607	39,592,849	5,447,758
Public safety	112,133,396	116,269,387	113,433,479	2,835,908
Public works	6,313,776	6,333,342	4,866,389	1,466,953
Urban and community development	7,317,250	7,661,523	6,700,091	961,432
Total expenditures	167,885,040	175,304,859	164,592,808	10,712,051
Excess of Revenue Over Expenditures	8,319,791	1,179,850	27,512,122	26,332,272
Other Financing Sources (Uses)				
Transfers in	1,699,634	1,699,634	1,693,978	(5,656)
Transfers out	(13,641,982)	(21,842,946)	(20,390,743)	1,452,203
Leases and SBITAs entered into	-	-	248,239	248,239
Budgeted appropriation lapse	5,500,000	5,500,000	-	(5,500,000)
Sale of capital assets	-	-	21,333	21,333
Contingencies	(1,500,000)	-	-	-
Total other financing uses	(7,942,348)	(14,643,312)	(18,427,193)	(3,783,881)
Net Change in Fund Balance	377,443	(13,463,462)	9,084,929	22,548,391
Fund Balance - Beginning of year	108,287,682	108,287,682	108,287,682	-
Fund Balance - End of year	<u>\$ 108,665,125</u>	<u>\$ 94,824,220</u>	<u>\$ 117,372,611</u>	<u>\$ 22,548,391</u>

City of Grand Rapids, Michigan

Required Supplementary Information
Budgetary Comparison Schedule - Major Special Revenue Funds
Major Streets

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Income taxes	\$ 13,576,627	\$ 13,576,627	\$ 15,320,585	\$ 1,743,958
Intergovernmental:				
Federal grants	534,000	534,000	521,854	(12,146)
State-shared taxes	21,440,104	21,440,104	22,787,924	1,347,820
Other grants and contributions	-	-	25,000	25,000
Charges for services	2,403,533	2,403,533	2,807,121	403,588
Investment earnings	474,594	474,594	873,995	399,401
Other revenue	89,000	89,000	584,373	495,373
Total revenue	<u>38,517,858</u>	<u>38,517,858</u>	<u>42,920,852</u>	<u>4,402,994</u>
Expenditures				
Current services - Public works	15,632,125	15,632,125	14,728,850	903,275
Capital outlay	5,703,819	6,192,324	6,116,924	75,400
Debt service:				
Principal	2,455,000	2,455,000	2,455,000	-
Interest and fiscal charges	415,410	415,410	415,082	328
Total expenditures	<u>24,206,354</u>	<u>24,694,859</u>	<u>23,715,856</u>	<u>979,003</u>
Excess of Revenue Over Expenditures	14,311,504	13,822,999	19,204,996	5,381,997
Other Financing Sources (Uses)				
Transfers in	1,004,793	1,004,793	460,998	(543,795)
Transfers out	(16,408,412)	(17,862,431)	(17,162,431)	700,000
Budgeted appropriation lapse	385,000	385,000	-	(385,000)
Sale of capital assets	-	-	4,524	4,524
Total other financing uses	<u>(15,018,619)</u>	<u>(16,472,638)</u>	<u>(16,696,909)</u>	<u>(224,271)</u>
Net Change in Fund Balance	(707,115)	(2,649,639)	2,508,087	5,157,726
Fund Balance - Beginning of year	<u>21,651,424</u>	<u>21,651,424</u>	<u>21,651,424</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 20,944,309</u></u>	<u><u>\$ 19,001,785</u></u>	<u><u>\$ 24,159,511</u></u>	<u><u>\$ 5,157,726</u></u>

City of Grand Rapids, Michigan

Required Supplementary Information
Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
Local Streets

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental - State-shared taxes	\$ 5,901,418	\$ 5,901,418	\$ 6,113,703	\$ 212,285
Charges for services	686,300	686,300	732,720	46,420
Investment earnings	44,324	44,324	41,927	(2,397)
Other revenue	4,000	4,000	15,477	11,477
Total revenue	6,636,042	6,636,042	6,903,827	267,785
Expenditures				
Current services - Public works	5,496,194	5,496,194	5,222,727	273,467
Capital outlay	4,479,101	4,479,101	4,069,382	409,719
Total expenditures	9,975,295	9,975,295	9,292,109	683,186
Excess of Expenditures Over Revenue	(3,339,253)	(3,339,253)	(2,388,282)	950,971
Other Financing Sources (Uses)				
Transfers in	3,859,240	3,859,240	3,052,835	(806,405)
Transfers out	(900,000)	(900,000)	(48,960)	851,040
Budgeted appropriation lapse	138,000	138,000	-	(138,000)
Total other financing sources	3,097,240	3,097,240	3,003,875	(93,365)
Net Change in Fund Balance	(242,013)	(242,013)	615,593	857,606
Fund Balance - Beginning of year	4,029,733	4,029,733	4,029,733	-
Fund Balance - End of year	<u>\$ 3,787,720</u>	<u>\$ 3,787,720</u>	<u>\$ 4,645,326</u>	<u>\$ 857,606</u>

Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Police and Fire Retirement System

	Last Ten Plan Years									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 13,092,487	\$ 11,755,473	\$ 10,109,359	\$ 9,269,719	\$ 9,071,101	\$ 8,780,168	\$ 8,723,494	\$ 8,588,314	\$ 7,482,069	\$ 7,794,219
Interest	43,692,739	41,634,797	40,340,298	38,670,466	37,279,003	35,724,491	34,356,315	32,676,161	29,375,231	28,440,421
Changes in benefit terms	-	109,480	-	-	-	-	-	114,084	-	-
Differences between expected and actual experience	6,059,836	14,806,552	7,963,985	2,397,342	2,068,208	4,658,725	3,265,534	7,264,098	16,663,107	2,978,624
Changes in assumptions	-	-	17,216,930	16,339,734	-	-	5,497,995	1,551,086	35,683,769	-
Benefit payments, including refunds	(38,032,984)	(38,940,560)	(32,923,031)	(30,382,544)	(27,730,677)	(27,404,159)	(24,813,135)	(29,360,462)	(32,082,302)	(21,103,787)
Net Change in Total Pension Liability	24,812,078	29,365,742	42,707,541	36,294,717	20,687,635	21,759,225	27,030,203	20,833,281	57,121,874	18,109,477
Total Pension Liability - Beginning of year	659,770,087	630,404,345	587,696,804	551,402,087	530,714,452	508,955,227	481,925,024	461,091,743	403,969,869	385,860,392
Total Pension Liability - End of year	\$ 684,582,165	\$ 659,770,087	\$ 630,404,345	\$ 587,696,804	\$ 551,402,087	\$ 530,714,452	\$ 508,955,227	\$ 481,925,024	\$ 461,091,743	\$ 403,969,869
Plan Fiduciary Net Position										
Contributions - Employer	\$ 16,366,549	\$ 13,124,901	\$ 11,660,533	\$ 10,716,480	\$ 9,672,074	\$ 9,421,305	\$ 8,911,489	\$ 7,166,351	\$ 5,630,297	\$ 6,331,848
Contributions - Member	6,062,639	5,927,247	5,930,546	5,379,200	5,832,668	5,313,127	5,114,841	4,929,842	4,557,165	4,563,692
Net investment income (loss)	50,136,968	(63,118,350)	83,738,143	44,596,181	71,134,823	(24,672,147)	53,740,592	25,712,944	(9,083,712)	29,390,902
Administrative expenses	(645,899)	(622,188)	(550,780)	(576,813)	(592,306)	(602,512)	(580,690)	(542,277)	(581,364)	(523,607)
Benefit payments, including refunds	(38,032,984)	(38,940,560)	(32,923,031)	(30,382,544)	(27,730,677)	(27,404,159)	(24,813,135)	(29,360,462)	(32,082,302)	(21,103,787)
Other	-	(52,798)	(46,903)	(56,632)	(44,775)	(45,967)	(2)	-	-	(15,065)
Net Change in Plan Fiduciary Net Position	33,887,273	(83,681,748)	67,808,508	29,675,872	58,271,807	(37,990,353)	42,373,095	7,906,398	(31,559,916)	18,643,983
Plan Fiduciary Net Position - Beginning of year	459,630,121	543,311,869	475,503,361	445,827,489	387,555,682	425,546,035	383,172,940	375,266,542	406,826,458	388,182,475
Plan Fiduciary Net Position - End of year	\$ 493,517,394	\$ 459,630,121	\$ 543,311,869	\$ 475,503,361	\$ 445,827,489	\$ 387,555,682	\$ 425,546,035	\$ 383,172,940	\$ 375,266,542	\$ 406,826,458
City's Net Pension Liability (Asset) - Ending	\$ 191,064,771	\$ 200,139,966	\$ 87,092,476	\$ 112,193,443	\$ 105,574,598	\$ 143,158,770	\$ 83,409,192	\$ 98,752,084	\$ 85,825,201	\$ (2,856,589)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	72.09 %	69.67 %	86.18 %	80.91 %	80.85 %	73.03 %	83.61 %	79.51 %	81.39 %	100.71 %
Covered Payroll	\$ 46,909,560	\$ 42,471,823	\$ 41,018,362	\$ 40,201,129	\$ 39,566,105	\$ 38,122,879	\$ 38,919,488	\$ 38,129,771	\$ 36,827,593	\$ 35,710,964
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	407.30 %	471.23 %	212.33 %	279.08 %	266.83 %	375.52 %	214.31 %	258.99 %	233.05 %	(8.00)%

Required Supplementary Information
 Schedule of Pension Contributions
 Police and Fire Retirement System

Last Ten Fiscal Years
 Years Ended June 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 17,276,258	\$ 14,721,697	\$ 12,069,649	\$ 11,466,609	\$ 9,735,689	\$ 9,597,846	\$ 9,086,586	\$ 8,861,774	\$ 5,364,049	\$ 5,807,941
Contributions in relation to the actuarially determined contribution	17,276,258	14,721,697	12,069,649	11,466,609	9,735,689	9,597,846	9,086,586	8,861,774	5,364,049	5,807,941
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 47,507,658	\$ 44,558,799	\$ 42,078,339	\$ 40,934,644	\$ 39,020,793	\$ 38,720,147	\$ 38,405,325	\$ 37,012,523	\$ 36,402,336	\$ 35,561,982
Contributions as a Percentage of Covered Payroll	36.37 %	33.04 %	28.68 %	28.01 %	24.95 %	24.79 %	23.66 %	23.94 %	14.74 %	16.33 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, six months prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Multiple periods (24-30 years as of December 31, 2021)
Asset valuation method	5-year smoothed market
Inflation	3.00 percent wage - 2.25 price inflation
Salary increase	3.00 percent - 20.00 percent, including inflation
Investment rate of return	6.75 percent compounded annually
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 Amount-Weighted, Public Safety, Male and Female tables, with a base year of 2010 and future mortality improvement projected using scale MP-2019 on a fully generational basis
Cost of living adjustments after retirement	Ad hoc 13th check tied to plan investments for benefit recipients who do not have an automatic benefit increase: A 1.0 percent simple escalator for eligible police retirees A 1.5 percent simple escalator for eligible firefighters

Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
General Retirement System

	Last Ten Plan Years									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 3,928,077	\$ 4,001,976	\$ 4,206,804	\$ 4,576,153	\$ 4,657,970	\$ 5,016,826	\$ 5,161,510	\$ 5,546,388	\$ 6,348,067	\$ 6,904,650
Interest	38,333,221	38,200,989	37,960,117	36,699,090	36,626,148	36,420,065	36,025,286	35,127,721	33,287,484	33,394,709
Changes in benefit terms	-	-	-	-	-	-	-	-	20,882	-
Differences between expected and actual experience	1,613,525	4,141,442	(1,383,882)	(945,207)	(2,877,132)	(2,335,969)	(971,718)	6,361,929	10,083,648	(7,420,169)
Changes in assumptions	-	14,430,114	-	12,565,643	7,963,218	5,213,623	(1,495,183)	-	29,733,502	-
Benefit payments, including refunds	(37,483,996)	(39,648,835)	(34,830,364)	(34,562,300)	(34,058,491)	(34,395,575)	(32,009,058)	(36,917,726)	(39,853,430)	(28,207,712)
Net Change in Total Pension Liability	6,390,827	21,125,686	5,952,675	18,333,379	12,311,713	9,918,970	6,710,837	10,118,312	39,620,153	4,671,478
Total Pension Liability - Beginning of year	584,677,526	563,551,840	557,599,165	539,265,786	526,954,073	517,035,103	510,324,266	500,205,954	460,585,801	455,914,323
Total Pension Liability - End of year	\$ 591,068,353	\$ 584,677,526	\$ 563,551,840	\$ 557,599,165	\$ 539,265,786	\$ 526,954,073	\$ 517,035,103	\$ 510,324,266	\$ 500,205,954	\$ 460,585,801
Plan Fiduciary Net Position										
Contributions - Employer	\$ 11,918,613	\$ 12,568,944	\$ 11,284,613	\$ 11,325,243	\$ 12,920,265	\$ 10,673,034	\$ 10,237,538	\$ 9,295,104	\$ 11,327,704	\$ 8,771,032
Contributions - Member	2,410,147	2,373,612	2,523,078	2,595,588	2,677,960	2,832,479	3,012,472	3,428,169	3,473,382	3,737,014
Net investment income (loss)	24,002,408	(27,476,181)	107,922,370	5,494,862	21,371,497	29,177,311	38,296,115	289,104	11,478,680	65,337,996
Administrative expenses	(648,308)	(592,461)	(558,139)	(605,388)	(596,090)	(556,142)	(558,024)	(568,895)	(567,869)	(523,086)
Benefit payments, including refunds	(37,483,996)	(39,648,835)	(34,830,364)	(34,562,300)	(34,058,491)	(34,395,575)	(32,009,058)	(36,917,726)	(39,853,430)	(28,207,712)
Other	(64,549)	(47,768)	(45,847)	(54,466)	-	-	-	-	-	(21,741)
Net Change in Plan Fiduciary Net Position	134,315	(52,822,689)	86,295,711	(15,806,461)	2,315,141	7,731,107	18,979,043	(24,474,244)	(14,141,533)	49,093,503
Plan Fiduciary Net Position - Beginning of year	436,881,613	489,704,302	403,408,591	419,215,052	416,899,911	409,168,804	390,189,761	414,664,005	428,805,538	379,712,035
Plan Fiduciary Net Position - End of year	\$ 437,015,928	\$ 436,881,613	\$ 489,704,302	\$ 403,408,591	\$ 419,215,052	\$ 416,899,911	\$ 409,168,804	\$ 390,189,761	\$ 414,664,005	\$ 428,805,538
City's Net Pension Liability - Ending	\$ 154,052,425	\$ 147,795,913	\$ 73,847,538	\$ 154,190,574	\$ 120,050,734	\$ 110,054,162	\$ 107,866,299	\$ 120,134,505	\$ 85,541,949	\$ 31,780,263
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	73.94 %	74.72 %	86.90 %	72.35 %	77.74 %	79.12 %	79.14 %	76.46 %	82.90 %	93.10 %
Covered Payroll	\$ 25,739,793	\$ 26,760,793	\$ 27,657,053	\$ 28,873,053	\$ 29,695,997	\$ 30,949,968	\$ 33,647,390	\$ 35,760,078	\$ 38,492,586	\$ 40,510,955
City's Net Pension Liability as a Percentage of Covered Payroll	598.50 %	552.29 %	267.01 %	534.03 %	404.27 %	355.59 %	320.58 %	335.95 %	222.23 %	78.45 %

Required Supplementary Information
 Schedule of Pension Contributions
 General Retirement System

Last Ten Fiscal Years
 Years Ended June 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 13,497,426	\$ 11,918,613	\$ 12,568,944	\$ 11,284,613	\$ 10,325,243	\$ 9,920,265	\$ 10,673,034	\$ 10,237,538	\$ 9,295,104	\$ 11,327,704
Contributions in relation to the actuarially determined contribution	13,497,426	11,918,613	12,568,944	11,284,613	11,325,243	12,920,265	10,673,034	10,237,538	9,295,104	11,327,704
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 24,304,745	\$ 25,739,793	\$ 26,760,793	\$ 27,657,053	\$ 28,873,053	\$ 29,695,997	\$ 30,949,968	\$ 33,647,390	\$ 35,760,078	\$ 38,492,586
Contributions as a Percentage of Covered Payroll	55.53 %	46.30 %	46.97 %	40.80 %	39.22 %	43.51 %	34.48 %	30.43 %	25.99 %	29.43 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age, normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Multiple periods (24-30 years as of June 30, 2022)
Asset valuation method	5-year smoothed market
Inflation	2.25 percent - No explicit price inflation assumption is used in this valuation
Salary increase	3.00 - 8.00 percent, plus up to 4.00 percent depending on service, including wage inflation at 3.00 percent
Investment rate of return	7.00 percent
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	Pub-2010 Amount-Weighted General Mortality Tables, with a base year of 2010 and future mortality improvements projected using MP-2019
Cost of living adjustments after retirement	Ad hoc 13th check tied to plan investment returns for benefit recipients who do not have an automatic benefit increase. A 1.0 percent simple escalator beginning 4 to 6 years after retirement

Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
General Retiree Health Care Plan

	Last Eight Plan Years*							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 391,934	\$ 382,721	\$ 462,915	\$ 660,142	\$ 625,532	\$ 902,797	\$ 1,068,634	\$ 1,081,550
Interest	1,120,785	1,359,738	1,558,985	1,616,466	2,171,878	2,660,640	2,729,890	2,815,223
Differences between expected and actual experience	2,389,601	(4,095,291)	(4,272,314)	(2,142,892)	(12,678,006)	(6,625,742)	(685,529)	(72,851)
Changes in assumptions	744,179	504,373	385,336	657,341	1,000,494	(3,375,513)	-	-
Benefit payments, including refunds	(3,653,520)	(2,216,876)	(1,942,538)	(1,741,657)	(2,749,260)	(3,648,296)	(5,181,856)	(5,866,434)
Net Change in Total OPEB Liability	992,979	(4,065,335)	(3,807,616)	(950,600)	(11,629,362)	(10,086,114)	(2,068,861)	(2,042,512)
Total OPEB Liability - Beginning of year	24,046,518	28,111,853	31,919,469	32,870,069	44,499,431	54,585,545	56,654,406	58,696,918
Total OPEB Liability - End of year	\$ 25,039,497	\$ 24,046,518	\$ 28,111,853	\$ 31,919,469	\$ 32,870,069	\$ 44,499,431	\$ 54,585,545	\$ 56,654,406
Plan Fiduciary Net Position								
Contributions - Employer	\$ 1,044,879	\$ 1,562,491	\$ 2,094,675	\$ 2,444,430	\$ 3,761,766	\$ 5,742,193	\$ 5,510,302	\$ 5,068,952
Federal grants	-	-	99,464	36,078	-	-	-	479,082
Net investment income (loss)	1,403,668	1,127,292	(2,084,025)	3,526,908	370,640	382,690	604,119	907,367
Administrative expenses	(190,758)	(181,562)	(198,400)	(172,387)	(182,840)	(161,545)	(177,180)	(172,119)
Benefit payments, including refunds	(3,653,520)	(2,216,877)	(1,942,538)	(1,741,657)	(2,749,260)	(3,648,296)	(5,181,856)	(5,866,434)
Net Change in Plan Fiduciary Net Position	(1,395,731)	291,344	(2,030,824)	4,093,372	1,200,306	2,315,042	755,385	416,848
Plan Fiduciary Net Position - Beginning of year	16,455,408	16,164,064	18,194,888	14,101,516	12,901,210	10,586,168	9,830,783	9,413,935
Plan Fiduciary Net Position - End of year	\$ 15,059,677	\$ 16,455,408	\$ 16,164,064	\$ 18,194,888	\$ 14,101,516	\$ 12,901,210	\$ 10,586,168	\$ 9,830,783
Net OPEB Liability - Ending	\$ 9,979,820	\$ 7,591,110	\$ 11,947,789	\$ 13,724,581	\$ 18,768,553	\$ 31,598,221	\$ 43,999,377	\$ 46,823,623
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	60.14 %	68.43 %	57.50 %	57.00 %	42.90 %	28.99 %	19.39 %	17.35 %
Covered Payroll	\$ 70,161,595	\$ 65,873,077	\$ 61,308,381	\$ 59,945,337	\$ 56,663,231	\$ 54,394,629	\$ 51,145,356	\$ 48,397,770
Net OPEB Liability as a Percentage of Covered Payroll	14.22 %	11.52 %	19.49 %	22.90 %	33.12 %	58.09 %	86.03 %	96.75 %

*An additional year will be added each year until 10 years are presented. Changes shown above for the OPEB plan fiscal year are reflected in the GASB 75 measurement date 1 year later.

Required Supplementary Information
 Schedule of OPEB Investment Returns - General Retiree Health Care Plan

	Last Eight Fiscal Years*							
	Years Ended June 30							
	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	9.03 %	7.04 %	(11.71)%	25.41 %	2.34 %	2.93 %	5.73 %	10.33 %

*An additional year will be added each year until 10 years are presented.

Required Supplementary Information
 Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
 Police Retiree Health Care Plan

	Last Eight Plan Years*							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 447,799	\$ 472,567	\$ 595,782	\$ 690,578	\$ 804,671	\$ 1,238,893	\$ 1,486,702	\$ 1,590,303
Interest	1,694,635	1,898,884	2,257,795	2,216,149	2,813,960	3,201,058	3,188,792	3,056,154
Differences between expected and actual experience	(288,082)	(4,302,013)	(7,870,484)	(1,363,025)	(14,875,348)	(5,847,660)	(2,242,917)	246,949
Changes in assumptions	958,947	737,276	564,560	1,674,298	1,586,120	(3,931,708)	-	-
Benefit payments, including refunds	(2,783,080)	(2,956,950)	(2,389,598)	(2,286,342)	(2,170,815)	(2,200,071)	(1,926,606)	(2,451,085)
Net Change in Total OPEB Liability	30,219	(4,150,236)	(6,841,945)	931,658	(11,841,412)	(7,539,488)	505,971	2,442,321
Total OPEB Liability - Beginning of year	35,060,334	39,210,570	46,052,515	45,120,857	56,962,269	64,501,757	63,995,786	61,553,465
Total OPEB Liability - End of year	\$ 35,090,553	\$ 35,060,334	\$ 39,210,570	\$ 46,052,515	\$ 45,120,857	\$ 56,962,269	\$ 64,501,757	\$ 63,995,786
Plan Fiduciary Net Position								
Contributions - Employer	\$ 109,568	\$ 258,037	\$ 1,184,482	\$ 1,378,330	\$ 2,786,728	\$ 4,099,293	\$ 4,251,612	\$ 4,319,030
Federal grants	-	-	73,713	70,268	-	-	-	256,022
Net investment income (loss)	3,725,614	2,733,241	(5,348,951)	10,122,593	944,532	1,064,305	2,300,896	3,173,248
Administrative expenses	(205,280)	(193,004)	(236,617)	(199,014)	(173,855)	(142,446)	(143,142)	(123,462)
Benefit payments, including refunds	(2,783,080)	(2,956,950)	(2,389,598)	(2,286,342)	(2,170,815)	(2,200,071)	(1,926,606)	(2,451,085)
Net Change in Plan Fiduciary Net Position	846,822	(158,676)	(6,716,971)	9,085,835	1,386,590	2,821,081	4,482,760	5,173,753
Plan Fiduciary Net Position - Beginning of year	40,167,318	40,326,994	47,043,965	37,958,130	36,571,540	33,750,459	29,267,699	24,093,946
Plan Fiduciary Net Position - End of year	\$ 41,014,140	\$ 40,168,318	\$ 40,326,994	\$ 47,043,965	\$ 37,958,130	\$ 36,571,540	\$ 33,750,459	\$ 29,267,699
Net OPEB (Asset) Liability - Ending	\$ (5,923,587)	\$ (5,107,984)	\$ (1,116,424)	\$ (991,450)	\$ 7,162,727	\$ 20,390,729	\$ 30,751,298	\$ 34,728,087
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	116.88 %	114.57 %	102.85 %	102.15 %	84.13 %	64.20 %	52.32 %	45.73 %
Covered Payroll	\$ 30,798,585	\$ 29,616,489	\$ 28,134,282	\$ 26,833,251	\$ 25,716,075	\$ 25,571,833	\$ 24,711,919	\$ 24,371,065
Net OPEB (Asset) Liability as a Percentage of Covered Payroll	(19.23)%	(17.25)%	(3.97)%	(3.69)%	27.85 %	79.74 %	124.44 %	142.50 %

*An additional year will be added each year until 10 years are presented. Changes shown above for the OPEB plan fiscal year are reflected in the GASB 75 measurement date 1 year later.

Required Supplementary Information
 Schedule of OPEB Investment Returns - Police Retiree Health Care Plan

	Last Eight Fiscal Years*							
	Years Ended June 30							
	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	9.55 %	6.98 %	(11.54)%	26.87 %	2.33 %	2.81 %	7.31 %	12.99 %

*An additional year will be added each year until 10 years are presented.

Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
Fire Retiree Health Care Plan

	Last Eight Plan Years*							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 701,715	\$ 687,344	\$ 767,927	\$ 784,961	\$ 758,192	\$ 1,105,487	\$ 1,292,792	\$ 1,282,061
Interest	1,067,523	1,185,143	1,349,793	1,358,995	1,683,852	2,018,137	1,956,635	1,905,021
Differences between expected and actual experience	(293,708)	(2,775,415)	(3,601,760)	(1,830,266)	(7,774,257)	(4,759,934)	289,730	129,028
Changes in assumptions	650,937	453,132	328,772	1,407,146	916,082	(2,544,676)	-	-
Benefit payments, including refunds	(1,716,500)	(2,103,072)	(2,091,861)	(1,700,811)	(2,487,966)	(2,174,165)	(2,256,796)	(2,321,577)
Net Change in Total OPEB Liability	409,967	(2,552,868)	(3,247,129)	20,025	(6,904,097)	(6,355,151)	1,282,361	994,533
Total OPEB Liability - Beginning of year	21,857,849	24,410,717	27,657,846	27,637,821	34,541,918	40,897,069	39,614,708	38,620,175
Total OPEB Liability - End of year	\$ 22,267,816	\$ 21,857,849	\$ 24,410,717	\$ 27,657,846	\$ 27,637,821	\$ 34,541,918	\$ 40,897,069	\$ 39,614,708
Plan Fiduciary Net Position								
Contributions - Employer	\$ 496,508	\$ 798,652	\$ 1,346,555	\$ 1,421,902	\$ 2,106,558	\$ 2,945,869	\$ 2,999,906	\$ 3,143,699
Federal grants	-	-	167,426	29,313	-	-	-	187,749
Net investment income (loss)	2,008,657	1,483,008	(2,883,885)	5,323,922	487,782	586,976	1,327,855	1,864,124
Administrative expenses	(142,918)	(131,173)	(167,778)	(140,797)	(138,589)	(116,428)	(111,952)	(100,096)
Benefit payments - Net of retiree premiums	(1,716,500)	(2,103,072)	(2,091,861)	(1,700,811)	(2,487,966)	(2,174,165)	(2,256,796)	(2,321,577)
Net Change in Plan Fiduciary Net Position	645,747	47,415	(3,629,543)	4,933,529	(32,215)	1,242,252	1,959,013	2,773,899
Plan Fiduciary Net Position - Beginning of year	21,718,157	21,670,742	25,300,285	20,366,756	20,398,971	19,156,719	17,197,706	14,423,807
Plan Fiduciary Net Position - End of year	\$ 22,363,904	\$ 21,718,157	\$ 21,670,742	\$ 25,300,285	\$ 20,366,756	\$ 20,398,971	\$ 19,156,719	\$ 17,197,706
Net OPEB (Asset) Liability - Ending	\$ (96,088)	\$ 139,692	\$ 2,739,975	\$ 2,357,561	\$ 7,271,065	\$ 14,142,947	\$ 21,740,350	\$ 22,417,002
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	100.43 %	99.36 %	88.78 %	91.48 %	73.69 %	59.06 %	46.84 %	43.41 %
Covered Payroll	\$ 22,184,629	\$ 20,554,957	\$ 19,494,547	\$ 18,336,826	\$ 16,593,930	\$ 16,283,919	\$ 15,678,337	\$ 15,410,482
Net OPEB (Asset) Liability as a Percentage of Covered Payroll	(0.43)%	0.68 %	14.06 %	12.86 %	43.82 %	86.85 %	138.66 %	145.47 %

*An additional year will be added each year until 10 years are presented. Changes shown above for the OPEB plan fiscal year are reflected in the GASB 75 measurement date 1 year later.

Required Supplementary Information
Schedule of OPEB Investment Returns - Fire Retiree Health Care Plan

	Last Eight Fiscal Years*							
	Years Ended June 30							
	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	9.58 %	7.04 %	(11.56)%	26.34 %	2.17 %	2.74 %	7.22 %	12.99 %

*An additional year will be added each year until 10 years are presented.

Pension Information

Changes in Assumptions

Police and Fire Retirement System: In 2021, the assumed rate of return was reduced from 7.00 percent to 6.75 percent. In 2020, the inflation rate was reduced from 2.5 percent to 2.25 percent, along with a reduction in the assumed rate of return from 7.15 percent to 7.00 percent and the adoption of a new mortality table. In 2018, the assumed rate of return was reduced to from 7.25 percent to 7.15 percent. In 2017, the future wage inflation assumption was reduced. In 2016, there was a reduction in the assumed rate of return from 7.50 percent to 7.25 percent, the adoption of a new mortality table, and updated demographic assumptions for retirement and withdrawal patterns.

General Retirement System: In 2022, the assumed rate of return was reduced from 7.00 percent to 6.75 percent. In 2020, the assumed rate of return was reduced from 7.15 percent to 7.00 percent. In 2019, the assumed rate of return was reduced from 7.25 percent to 7.15 percent. In 2018, the inflation rate assumption was reduced from 2.75 percent to 2.5 percent. In 2016, the assumed rate of return was reduced from 7.50 percent to 7.25 percent, a new mortality table was adopted, and demographic assumptions for retirement and withdrawal patterns were updated.

Significant Changes to the Plan

General Retirement System: In 2014, the plan was closed to all new entrants. Current members continue to accrue future benefits.

OPEB Information

Changes in Assumptions

General Retiree Health Care Plan: There was a reduction in the load factor for children of retirees and a reduction in the contingency load for possible future costs related to the Cadillac tax for the plan fiscal year 2019; this is reflected in the City's fiscal year 2020. There was an increase in the health care cost trend rate related to the plan fiscal year 2020; this is reflected in the City's fiscal year 2021. There was a decrease in the projected salary increase as well as a change in the mortality table in the City's fiscal year 2022. There was a decrease in the inflation rate related to the plan in the City's fiscal year 2023. There was a decrease in the projected salary increases in the City's fiscal year 2024.

Police Retiree Health Care Plan: There was a reduction in the load factor for children of retirees and a reduction in the contingency load for possible future costs related to the Cadillac tax for the plan fiscal year 2019; this is reflected in the City's fiscal year 2020. There was an increase in the health care cost trend rate related to the plan fiscal year 2020; this is reflected in the City's fiscal year 2021. There was a decrease in the projected salary increase as well as a change in the mortality table in the City's fiscal year 2022. There was a decrease in the inflation rate related to the plan in the City's fiscal year 2023. There was a decrease in the projected salary increases in the City's fiscal year 2024.

Fire Retiree Health Care Plan: There was a reduction in the load factor for children of retirees and a reduction in the contingency load for possible future costs related to the Cadillac tax for the plan fiscal year 2019; this is reflected in the City's fiscal year 2020. There was an increase in the health care cost trend rate related to the plan fiscal year 2020; this is reflected in the City's fiscal year 2021. There was a decrease in the projected salary increase as well as a change in the mortality table in the City's fiscal year 2022. There was a decrease in the inflation trend rate related to the plan in the City's fiscal year 2023. There was a decrease in the projected salary increases in the City's fiscal year 2024.

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Supplementary Information

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Budgetary Comparison Schedule, General Operating Fund Expenditures

June 30, 2024

Department	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
General Government - Fiscal and Administrative:				
Executive Office and City Commission	\$ 4,911,961	\$ 7,156,365	\$ 5,292,017	\$ 1,864,348
Comptroller's Office	3,022,727	3,022,727	2,786,160	236,567
Fiscal Services	9,111,314	9,111,314	8,352,359	758,955
Clerk's Office	2,715,071	2,880,675	2,786,894	93,781
Treasury	2,586,842	2,586,842	2,663,310	(76,468)
Attorney's Office	3,442,320	3,442,320	3,221,176	221,144
Human Resources	3,558,791	3,889,470	3,603,460	286,010
Administrative Support	1,713,567	1,713,567	1,526,924	186,643
Other general government	11,058,025	11,237,327	9,360,549	1,876,778
Total General Government	42,120,618	45,040,607	39,592,849	5,447,758
Public Safety:				
Police	63,729,529	64,263,187	62,205,897	2,057,290
Dispatch	6,521,915	6,521,915	6,297,988	223,927
Oversight and Public Accountability	1,761,106	1,821,589	1,442,322	379,267
Fire	40,120,846	43,662,696	43,487,272	175,424
Total Public Safety	112,133,396	116,269,387	113,433,479	2,835,908
Public Works				
Enterprise Services	6,313,776	6,333,342	4,866,389	1,466,953
Total Public Works	6,313,776	6,333,342	4,866,389	1,466,953
Urban Development:				
Community Development	4,514,743	4,859,016	4,229,905	629,111
Design, Development and Comm. Engagement	2,802,507	2,802,507	2,470,186	332,321
Total Urban Development	7,317,250	7,661,523	6,700,091	961,432
Non-departmental				
Budgeted appropriation lapse	(5,500,000)	(5,500,000)	-	(5,500,000)
Contingencies	1,500,000	-	-	-
Transfers to other funds	13,641,982	21,842,946	20,390,743	1,452,203
Total non-departmental	9,641,982	16,342,946	20,390,743	(4,047,797)
Total charges to appropriations	\$ 177,527,022	\$ 191,647,805	\$ 184,983,551	\$ 6,664,254

Special Revenue Funds

Library - Operations for main library and seven branches; funding primarily provided by millage and state grants

Refuse Collection - Operations for the collection and removal of trash and debris; financing provided by tax millage and pay-as-you-throw cart program

Parks and Recreation - Operations for city-owned parks and recreation programs; includes 2013 parks millage

Opioid Settlement - Funds received from ongoing litigation surrounding opioid epidemic

Grants - Federal and/or state funds received for specified city use, including community development, police, and fire

Michigan Justice Training - State funding provided to the City for criminal justice in-service training of police officers; requires approval from Michigan Commission on Law Enforcement Standards

Vehicle Storage Facility - Revenue and expenditures associated with the safe storage and disposal of impounded and/or abandoned vehicles

Property Management - Funds held for the maintenance and sale of tax reverted properties; managed by economic development department

Building Inspections - State-required fund (P.A. 245 of 1999); fee charges for building inspections, licensing, and permitting used only for operations of the enforcing agency

Michigan Indigent Defense Commission - State-required fund created to establish and enforce new standards for indigent legal services

Sidewalk Repair - Receives portion of funds from vital streets income tax for sidewalk repair, improvement, and reconstruction

Drug Law Enforcement - Funds received from the sales of forfeited property and can only be used to enhance drug enforcement laws

General Special Revenue - Miscellaneous funds received from private contributions and/or endowments for specified use within the City; includes historical commission

Economic Development - Operations to assist and retain local industries and commercial enterprises and to strengthen and encourage city growth

Downtown Improvement District - Funds to support daily sidewalk cleaning, landscaping, and beautification of urban core areas; program administered by Downtown Grand Rapids Inc.

Uptown Business Improvement District - Funds to promote and encourage economic vitality and growth within specified business districts; includes East Hills, East Fulton, Eastown, and Wealthy Street business districts

Debt Service Fund

Grand Rapids Building Authority - Accounts for the financing of the interest and retirement of principal of general long-term debt

Capital Project Funds

Vital Streets Capital Construction - Funds used for preventive maintenance, rehabilitation, and reconstruction projects

Streets Capital Construction - Funds used for traffic safety, street resurfacing, and street reconstruction projects

Parks Capital Projects - Funds used for parks improvement projects

Permanent Fund

Cemetery Perpetual Care - Except for certain capital items, these funds are not expendable; however, the interest earned is transferred to the Cemetery Operating Fund for use in the care and maintenance of the City's six cemeteries.

City of Grand Rapids, Michigan

	Special Revenue Funds									
	Library	Refuse Collection	Parks and Recreation	Opioid Settlement	Grants	Michigan Justice Training	Vehicle Storage Facility	Property Management	Building Inspections	Michigan Indigent Defense Commission
Assets										
Equity in pooled cash and investments	\$ 7,229,293	\$ 9,435,696	\$ 6,018,277	\$ 1,884,015	\$ 2,785,119	\$ 234,751	\$ 781,510	\$ 269,072	\$ 6,970,303	\$ 368,938
Receivables:										
Receivables - Net	38,610	362,250	277,290	5,907,879	-	653	8,761	5,465	533,759	2,071
Due from other governments	-	-	-	-	1,801,306	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Lease receivable	52,656	-	-	-	-	-	-	-	-	-
Total assets	\$ 7,320,559	\$ 9,797,946	\$ 6,295,567	\$ 7,791,894	\$ 4,586,425	\$ 235,404	\$ 790,271	\$ 274,537	\$ 7,504,062	\$ 371,009
Liabilities										
Vouchers and accounts payable	\$ 240,966	\$ 490,364	\$ 694,981	\$ -	\$ 996,130	\$ -	\$ 31,479	\$ -	\$ 15,570	\$ 203,250
Unearned revenue	-	-	-	-	1,357,529	-	-	-	-	-
Customer deposits	-	1,281,938	512	-	6,000	-	-	-	-	-
Total liabilities	240,966	1,772,302	695,493	-	2,359,659	-	31,479	-	15,570	203,250
Deferred Inflows of Resources -										
Unavailable revenue	52,076	299,059	240,700	5,682,148	567,505	-	-	5,009	509,596	-
Total liabilities and deferred inflows of resources	293,042	2,071,361	936,193	5,682,148	2,927,164	-	31,479	5,009	525,166	203,250
Fund Balances										
Nonspendable:										
Inventory	-	-	-	-	-	-	-	-	-	-
Nonexpendable trust principal	14,270	-	-	-	-	-	-	-	-	-
Restricted:										
General government	-	-	-	-	-	-	-	-	-	167,759
Opioid settlement	-	-	-	2,109,746	-	-	-	-	-	-
Public safety	-	-	-	-	-	235,404	-	-	-	-
Urban and community development	-	-	-	-	1,659,261	-	-	-	-	-
Culture and recreation	454,296	-	2,960	-	-	-	-	-	-	-
Committed:										
Authorized projects	-	-	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-	-	-
Assigned:										
Ensuing budget year	-	-	-	-	-	-	-	9,768	-	-
Culture and recreation	5,859,177	-	4,871,158	-	-	-	-	-	-	-
Urban and community development	-	-	-	-	-	-	-	257,147	6,585,905	-
Public works	-	7,300,608	-	-	-	-	737,423	-	-	-
Compensated absences	699,774	425,977	485,256	-	-	-	21,369	2,613	392,991	-
Other purposes	-	-	-	-	-	-	-	-	-	-
Total fund balances	7,027,517	7,726,585	5,359,374	2,109,746	1,659,261	235,404	758,792	269,528	6,978,896	167,759
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,320,559	\$ 9,797,946	\$ 6,295,567	\$ 7,791,894	\$ 4,586,425	\$ 235,404	\$ 790,271	\$ 274,537	\$ 7,504,062	\$ 371,009

Supplementary Information Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2024

Special Revenue Funds						Debt Service Fund	Capital Project Funds			Permanent Fund	
Sidewalk Repair	Drug Law Enforcement	General Special Revenue	Economic Development	Downtown Improvement District	Uptown Business Improvement District	Grand Rapids Building Authority	Vital Streets Capital Construction	Streets Capital Construction	Parks Capital Projects	Cemetery Perpetual Care	Total
\$ 3,189,055	\$ 1,779,906	\$ 170,333	\$ 482,282	\$ 821,559	\$ 59,754	\$ 1,123,671	\$ 19,648,745	\$ 10,587,483	\$ 4,154,217	\$ 5,063,770	\$ 83,057,749
253,662	12,879	574	65,441	3,829	360	614,432	171,020	33,768	-	4,332	8,297,035
-	-	-	-	-	-	-	-	-	-	-	1,801,306
-	-	-	-	-	-	-	-	-	-	17,134	17,134
-	-	-	-	-	-	-	-	-	-	-	52,656
\$ 3,442,717	\$ 1,792,785	\$ 170,907	\$ 547,723	\$ 825,388	\$ 60,114	\$ 1,738,103	\$ 19,819,765	\$ 10,621,251	\$ 4,154,217	\$ 5,085,236	\$ 93,225,880
\$ 378,910	\$ 5,781	-	\$ 20,000	\$ 155,661	\$ 8,113	-	\$ 3,195,446	\$ 104,656	\$ 149,075	-	\$ 6,690,382
-	-	-	-	-	-	-	-	5,000,000	-	-	6,357,529
-	-	-	-	-	-	-	-	-	-	-	1,288,450
378,910	5,781	-	20,000	155,661	8,113	-	3,195,446	5,104,656	149,075	-	14,336,361
3,950	-	-	62,844	-	-	-	-	-	-	2,013	7,424,900
382,860	5,781	-	82,844	155,661	8,113	-	3,195,446	5,104,656	149,075	2,013	21,761,261
-	-	-	-	-	-	-	-	-	-	17,134	17,134
-	-	-	-	-	-	-	-	-	-	3,186,960	3,201,230
-	-	-	-	-	-	-	-	-	-	-	167,759
-	-	-	-	-	-	-	-	-	-	-	2,109,746
-	1,787,004	-	-	-	-	-	-	-	-	-	2,022,408
-	-	-	-	669,727	52,001	-	-	-	-	-	2,380,989
-	-	116,071	-	-	-	-	-	-	-	-	573,327
-	-	-	-	-	-	-	16,624,319	5,516,595	4,005,142	-	26,146,056
-	-	-	-	-	-	-	-	-	-	1,879,129	1,879,129
-	-	-	9,664	-	-	-	-	-	-	-	19,432
-	-	54,836	-	-	-	-	-	-	-	-	10,785,171
-	-	-	452,815	-	-	-	-	-	-	-	7,295,867
3,012,121	-	-	-	-	-	-	-	-	-	-	11,050,152
47,736	-	-	2,400	-	-	-	-	-	-	-	2,078,116
-	-	-	-	-	-	1,738,103	-	-	-	-	1,738,103
3,059,857	1,787,004	170,907	464,879	669,727	52,001	1,738,103	16,624,319	5,516,595	4,005,142	5,083,223	71,464,619
\$ 3,442,717	\$ 1,792,785	\$ 170,907	\$ 547,723	\$ 825,388	\$ 60,114	\$ 1,738,103	\$ 19,819,765	\$ 10,621,251	\$ 4,154,217	\$ 5,085,236	\$ 93,225,880

City of Grand Rapids, Michigan

	Special Revenue Funds									
	Library	Refuse Collection	Parks and Recreation	Opioid Settlement	Grants	Michigan Justice Training	Vehicle Storage Facility	Property Management	Building Inspections	Michigan Indigent Defense Commission
Revenue										
Taxes:										
Property taxes	\$ 13,218,649	\$ 10,399,413	\$ 6,866,702	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental:										
Federal grants	-	-	209,047	-	15,429,681	-	-	-	-	-
State sources	445,071	158,479	567,790	-	588,264	96,066	-	-	-	2,265,848
Other grants and contributions	295,183	-	123,702	-	1,817,169	-	-	-	-	-
Charges for services	83,724	8,926,746	737,786	-	683,493	-	847,887	4,106	334,363	40,867
Fines and forfeitures	20,938	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	4,595,047	-
Investment income	637,790	486,200	427,389	-	33,941	(882)	44,521	17,501	331,585	10,684
Other revenue:										
Miscellaneous	-	1,048	43,649	1,207,403	978	-	-	-	-	-
Property sales	-	-	-	-	-	-	-	13,500	-	-
Total revenue	14,701,355	19,971,886	8,976,065	1,207,403	18,553,526	95,184	892,408	35,107	5,260,995	2,317,399
Expenditures										
Current services:										
General government	-	-	-	-	395,071	-	854,437	-	-	2,507,721
Public safety	-	-	-	-	3,993,730	35,001	-	-	-	-
Public works	-	17,159,682	-	-	2,032,488	-	-	-	-	-
Health and welfare	-	-	-	7,161	-	-	-	-	-	-
Urban and community development	-	-	-	-	13,708,783	-	-	77,993	5,148,221	-
Recreation and culture	13,326,308	-	13,602,970	-	-	-	-	-	-	-
Capital outlay	944,811	94,886	223,055	-	-	-	-	-	-	-
Debt service:										
Principal	4,884	173,760	103,438	-	-	-	10,311	36,591	-	-
Interest and fiscal charges	510	8,522	203	-	-	-	939	8,496	-	-
Total expenditures	14,276,513	17,436,850	13,929,666	7,161	20,130,072	35,001	865,687	123,080	5,148,221	2,507,721
Excess of Revenue Over (Under) Expenditures	424,842	2,535,036	(4,953,601)	1,200,242	(1,576,546)	60,183	26,721	(87,973)	112,774	(190,322)
Other Financing Sources (Uses)										
Transfers in	-	-	8,638,399	-	998,979	-	-	160,000	71,307	120,033
Transfers out	-	(240,000)	(2,977,582)	-	(1,368,688)	-	(185,290)	-	(29,413)	-
Leases and SBITAs entered into	-	-	84,123	-	-	-	42,623	-	-	-
Total other financing (uses) sources	-	(240,000)	5,744,940	-	(369,709)	-	(142,667)	160,000	41,894	120,033
Net Change in Fund Balances	424,842	2,295,036	791,339	1,200,242	(1,946,255)	60,183	(115,946)	72,027	154,668	(70,289)
Fund Balances - Beginning of year	6,602,675	5,431,549	4,568,035	909,504	3,605,516	175,221	874,738	197,501	6,824,228	238,048
Fund Balances - End of year	\$ 7,027,517	\$ 7,726,585	\$ 5,359,374	\$ 2,109,746	\$ 1,659,261	\$ 235,404	\$ 758,792	\$ 269,528	\$ 6,978,896	\$ 167,759

Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in Fund
Balances
Nonmajor Governmental Funds

Year Ended June 30, 2024

Special Revenue Funds				Debt Service Fund		Capital Project Funds			Permanent Fund	Total	
Sidewalk Repair	Drug Law Enforcement	General Special Revenue	Economic Development	Downtown Improvement District	Uptown Business Improvement District	Grand Rapids Building Authority	Vital Streets Capital Construction	Streets Capital Construction	Parks Capital Projects	Cemetery Perpetual Care	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,484,764
2,917,751	-	-	-	-	-	-	-	-	-	-	2,917,751
-	-	-	-	-	-	-	522,157	-	-	-	16,160,885
-	-	-	-	-	-	-	-	-	525,000	-	4,646,518
-	-	-	-	50,000	-	-	966,373	-	-	-	3,252,427
3,800	380,845	623	87,006	1,289,341	126,245	2,458,224	-	-	-	28,156	16,033,212
-	-	-	-	-	-	-	-	-	-	-	20,938
22,205	-	-	-	-	-	-	-	-	-	-	4,617,252
75,123	47,036	(661)	19,132	50,834	4,443	57,195	464,033	(7,796)	-	257,372	2,955,440
-	-	-	7,683	-	-	-	-	-	-	-	1,260,761
-	-	-	-	-	-	-	-	-	-	-	13,500
3,018,879	427,881	(38)	113,821	1,390,175	130,688	2,515,419	1,952,563	(7,796)	525,000	285,528	82,363,448
-	-	-	-	-	-	-	-	-	-	-	3,757,229
-	276,234	-	-	-	-	-	-	-	-	-	4,304,965
1,946,886	-	-	-	-	-	-	-	-	-	-	21,139,056
-	-	-	-	-	-	-	-	-	-	-	7,161
-	-	-	99,098	1,295,443	112,989	-	-	-	-	-	20,442,527
-	-	7,389	-	84,302	-	-	-	-	(13,013)	-	26,923,654
-	-	-	-	-	-	-	4,676,866	333,482	525,443	-	6,882,845
-	-	-	-	-	-	2,150,000	-	-	-	-	2,478,984
-	-	-	-	-	-	519,019	-	-	-	-	537,689
1,946,886	276,234	7,389	99,098	1,379,745	112,989	2,669,019	4,676,866	333,482	512,430	-	86,474,110
1,071,993	151,647	(7,427)	14,723	10,430	17,699	(153,600)	(2,724,303)	(341,278)	12,570	285,528	(4,110,662)
-	-	-	30,000	-	-	241,528	11,598,294	2,664,897	3,992,572	121,737	28,637,746
(64,793)	-	-	-	-	-	-	(500,840)	-	-	(144,000)	(5,510,606)
-	-	-	-	84,302	-	-	-	-	-	-	211,048
(64,793)	-	-	30,000	84,302	-	241,528	11,097,454	2,664,897	3,992,572	(22,263)	23,338,188
1,007,200	151,647	(7,427)	44,723	94,732	17,699	87,928	8,373,151	2,323,619	4,005,142	263,265	19,227,526
2,052,657	1,635,357	178,334	420,156	574,995	34,302	1,650,175	8,251,168	3,192,976	-	4,819,958	52,237,093
\$ 3,059,857	\$ 1,787,004	\$ 170,907	\$ 464,879	\$ 669,727	\$ 52,001	\$ 1,738,103	\$ 16,624,319	\$ 5,516,595	\$ 4,005,142	\$ 5,083,223	\$ 71,464,619

Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Funds-Special Revenue

June 30, 2024

	Budget (unaudited)				Actual				
	Revenues	Expenditures	Other Financing Sources (uses)	Net	Revenues	Expenditures	Other Financing Sources (uses)	Net	Net Variance
Library	\$ 13,588,768	\$ 15,556,698	\$ 50,000	\$ (1,917,930)	\$ 14,701,355	\$ 14,276,513	\$ -	\$ 424,842	\$ 2,342,772
Refuse Collection	19,299,106	18,422,428	110,000	986,678	19,971,886	17,436,850	(240,000)	2,295,036	1,308,358
Parks and Recreation	7,870,189	14,704,413	5,783,985	(1,050,239)	8,976,065	13,929,666	5,744,940	791,339	1,841,578
Opioid Settlement	-	58,332	-	(58,332)	1,207,403	7,161	-	1,200,242	1,258,574
Grants	57,921,758	59,402,406	52,402	(1,428,246)	18,553,526	20,130,072	(369,709)	(1,946,255)	(518,009)
Michigan Justice Training	59,494	55,000	-	4,494	95,184	35,001	-	60,183	55,689
Vehicle Storage Facility	1,089,075	825,591	(185,946)	77,538	892,408	865,687	(142,667)	(115,946)	(193,484)
Property Management	159,302	325,693	160,000	(6,391)	35,107	123,080	160,000	72,027	78,418
Building Inspections	5,298,717	5,766,573	36,894	(430,962)	5,260,995	5,148,221	41,894	154,668	585,630
Michigan Indigent Defense Commission	3,285,659	3,676,806	291,772	(99,375)	2,317,399	2,507,721	120,033	(70,289)	29,086
Sidewalk Repair	2,662,643	2,989,842	(64,793)	(391,992)	3,018,879	1,946,886	(64,793)	1,007,200	1,399,192
Drug Law Enforcement	370,126	392,525	-	(22,399)	427,881	276,234	-	151,647	174,046
General Special Revenue	11,689	10,400	-	1,289	(38)	7,389	-	(7,427)	(8,716)
Economic Development	80,537	120,201	30,000	(9,664)	113,821	99,098	30,000	44,723	54,387
Downtown Improvement District	1,374,689	1,446,789	-	(72,100)	1,390,175	1,379,745	84,302	94,732	166,832
Uptown Business Improvement District	134,117	132,840	-	1,277	130,688	112,989	-	17,699	16,422
Total	\$ 113,205,869	\$ 123,886,537	\$ 6,264,314	\$ (4,416,354)	\$ 77,092,734	\$ 78,282,313	\$ 5,364,000	\$ 4,174,421	\$ 8,590,775

Supplementary Information
Combining Statement of Net Position
Nonmajor Enterprise Funds

June 30, 2024

	Cemeteries Operating	Belknap Ice Arena	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Equity in pooled cash and investments	\$ 3,296,530	\$ 959,402	\$ 4,255,932
Receivables - Net	50,956	345,983	396,939
Inventory	32,732	-	32,732
Total current assets	3,380,218	1,305,385	4,685,603
Noncurrent assets:			
Capital assets:			
Assets not subject to depreciation	5,255	-	5,255
Assets subject to depreciation - Net	1,922,082	818,086	2,740,168
Other assets	210,262	-	210,262
Total noncurrent assets	2,137,599	818,086	2,955,685
Total assets	5,517,817	2,123,471	7,641,288
Deferred Outflows of Resources			
Deferred outflows related to pensions	141,293	-	141,293
Deferred outflows related to OPEB	12,529	-	12,529
Total deferred outflows of resources	153,822	-	153,822
Liabilities			
Current liabilities:			
Vouchers and accounts payable	196,164	-	196,164
Unearned revenue	16,405	-	16,405
Current portion of compensated absences	35,389	-	35,389
Total current liabilities	247,958	-	247,958
Noncurrent liabilities:			
Compensated absences	44,407	-	44,407
Net pension liability	814,032	-	814,032
Net OPEB liability	30,103	-	30,103
Total noncurrent liabilities	888,542	-	888,542
Total liabilities	1,136,500	-	1,136,500
Deferred Inflows of Resources - Deferred inflows related to OPEB	77,473	206,491	283,964
Net Position			
Net investment in capital assets	1,927,337	818,086	2,745,423
Unrestricted	2,530,329	1,098,894	3,629,223
Total net position	<u>\$ 4,457,666</u>	<u>\$ 1,916,980</u>	<u>\$ 6,374,646</u>

City of Grand Rapids, Michigan

Supplementary Information
Combining Statement of Revenue, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds

Year Ended June 30, 2024

	Cemeteries Operating	Belknap Ice Arena	Total Nonmajor Enterprise Funds
Operating Revenue			
Sales	\$ 586,065	\$ 44,835	\$ 630,900
Charges for services	1,473,056	963,373	2,436,429
Total operating revenue	2,059,121	1,008,208	3,067,329
Operating Expenses			
Utilities	160,089	143,902	303,991
Supplies and materials	141,705	134,708	276,413
Personal services	1,162,114	289,699	1,451,813
Contractual services	530,485	8,783	539,268
Other services and charges	670,485	134,773	805,258
Depreciation and amortization	182,202	110,060	292,262
Total operating expenses	2,847,080	821,925	3,669,005
Operating (Loss) Income	(787,959)	186,283	(601,676)
Nonoperating Revenue - Investment income	159,960	39,064	199,024
Income (Loss) - Before transfers	(627,999)	225,347	(402,652)
Transfers In	1,051,000	-	1,051,000
Transfers Out	(1,171,737)	-	(1,171,737)
Change in Net Position	(748,736)	225,347	(523,389)
Net Position - Beginning of year	5,206,402	1,691,633	6,898,035
Net Position - End of year	<u>\$ 4,457,666</u>	<u>\$ 1,916,980</u>	<u>\$ 6,374,646</u>

Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds

Year Ended June 30, 2024

	Cemeteries Operating	Belknap Ice Arena	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 2,169,740	\$ 1,056,213	\$ 3,225,953
Payments to suppliers	(1,482,888)	(490,920)	(1,973,808)
Payments to employees	(746,559)	(253,886)	(1,000,445)
Payments for payroll taxes and benefits	(285,553)	(35,813)	(321,366)
Net cash (used in) provided by operating activities	(345,260)	275,594	(69,666)
Cash Flows from Noncapital Financing Activities			
Transfers from other funds	1,051,000	-	1,051,000
Transfers to other funds	(1,171,737)	-	(1,171,737)
Net cash used in noncapital financing activities	(120,737)	-	(120,737)
Cash Flows from Capital and Related Financing Activities			
Property taxes restricted for capital items	-	(88,696)	(88,696)
Purchase of capital assets	(25,982)	(209,318)	(235,300)
Net cash used in capital and related financing activities	(25,982)	(298,014)	(323,996)
Cash Flows Provided by Investing Activities - Interest received on investments	159,960	39,064	199,024
Net (Decrease) Increase in Cash	(332,019)	16,644	(315,375)
Cash - Beginning of year	3,628,549	942,758	4,571,307
Cash - End of year	<u>\$ 3,296,530</u>	<u>\$ 959,402</u>	<u>\$ 4,255,932</u>
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities			
Operating (loss) income	\$ (787,959)	\$ 186,283	\$ (601,676)
Adjustments to reconcile operating (loss) income to net cash from operating activities:			
Depreciation and amortization	182,202	110,060	292,262
Changes in assets and liabilities:			
Receivables	110,619	48,005	158,624
Inventories	(19,820)	-	(19,820)
Accounts payable	40,351	(68,754)	(28,403)
Net pension or OPEB liability	112,275	-	112,275
Deferrals related to pension or OPEB	2,759	-	2,759
Accrued and other liabilities	14,313	-	14,313
Total adjustments	442,699	89,311	532,010
Net cash (used in) provided by operating activities	<u>\$ (345,260)</u>	<u>\$ 275,594</u>	<u>\$ (69,666)</u>

Supplementary Information
Combining Statement of Net Position
Internal Service Funds

June 30, 2024

	Information Technology	Motor Equipment	Facilities Management	Insurance Payment	Engineering Services	311 Program	Total Internal Service Funds
Assets							
Current assets:							
Equity in pooled cash and investments	\$ 10,027,857	\$ 24,798,952	\$ 11,034,762	\$ 36,548,428	\$ 5,340,955	\$ 247,823	\$ 87,998,777
Receivables - Net	30,113	159,055	81,086	1,064,671	123,383	385	1,458,693
Inventory	-	896,743	-	-	-	-	896,743
Prepaid expenses	3,463,099	-	-	-	-	-	3,463,099
Restricted assets	-	-	-	6,116,533	-	-	6,116,533
Total current assets	13,521,069	25,854,750	11,115,848	43,729,632	5,464,338	248,208	99,933,845
Noncurrent assets - Capital assets:							
Assets not subject to depreciation	-	1,522,475	-	-	-	-	1,522,475
Assets subject to depreciation - Net	1,401,576	20,691,522	803,242	-	168,645	-	23,064,985
Total noncurrent assets	1,401,576	22,213,997	803,242	-	168,645	-	24,587,460
Total assets	14,922,645	48,068,747	11,919,090	43,729,632	5,632,983	248,208	124,521,305
Deferred Outflows of Resources							
Deferred outflows related to pensions	101,863	674,595	336,093	176,560	1,051,270	241,605	2,581,986
Deferred outflows related to OPEB	9,134	59,821	29,867	15,519	93,090	21,653	229,084
Total deferred outflows of resources	110,997	734,416	365,960	192,079	1,144,360	263,258	2,811,070
Liabilities							
Current liabilities:							
Vouchers and accounts payable	526,760	294,801	182,998	1,290,525	19,105	13,891	2,328,080
Due to other governmental units	-	-	-	86,805	-	-	86,805
Unearned revenue	-	35,889	-	415,619	-	-	451,508
Current portion of compensated absences	17,043	130,531	82,796	13,276	252,535	26,372	522,553
Current portion of claims payable	-	-	-	5,774,133	-	-	5,774,133
Current portion of bonds, contracts, leases, and subscriptions payable	-	-	-	-	52,044	-	52,044
Total current liabilities	543,803	461,221	265,794	7,580,358	323,684	40,263	9,215,123
Noncurrent liabilities:							
Compensated absences	21,385	163,794	103,894	39,975	316,886	33,092	679,026
Claims payable	-	-	-	1,377,389	-	-	1,377,389
Net pension liability	586,862	3,886,524	1,936,324	1,017,207	6,056,650	1,391,951	14,875,518
Net OPEB liability	21,949	143,738	71,766	37,291	223,679	52,027	550,450
Bonds, contracts, and leases payable	-	-	-	-	55,704	-	55,704
Total noncurrent liabilities	630,196	4,194,056	2,111,984	2,471,862	6,652,919	1,477,070	17,538,087
Total liabilities	1,173,999	4,655,277	2,377,778	10,052,220	6,976,603	1,517,333	26,753,210
Deferred Inflows of Resources - Deferred inflows related to OPEB							
	56,488	369,929	184,699	95,973	575,669	133,900	1,416,658
Net Position (Deficit)							
Net investment in capital assets	1,401,576	22,213,997	803,242	-	60,897	-	24,479,712
Unrestricted	12,401,579	21,563,960	8,919,331	33,773,518	(835,826)	(1,139,767)	74,682,795
Total net position (deficit)	\$ 13,803,155	\$ 43,777,957	\$ 9,722,573	\$ 33,773,518	\$ (774,929)	\$ (1,139,767)	\$ 99,162,507

City of Grand Rapids, Michigan

Supplementary Information

Combining Statement of Revenue, Expenses, and Changes in Net Position Internal Service Funds

Year Ended June 30, 2024

	Information Technology	Motor Equipment	Facilities Management	Insurance Payment	Engineering Services	311 Program	Total Internal Service Funds
Operating Revenue							
Sales	\$ -	\$ 58,900	\$ -	\$ -	\$ -	\$ -	\$ 58,900
Charges for services	7,234,896	17,619,641	7,647,811	34,357,951	6,047,010	1,703,041	74,610,350
Miscellaneous	-	338,424	4,630	1,825,603	-	-	2,168,657
Total operating revenue	7,234,896	18,016,965	7,652,441	36,183,554	6,047,010	1,703,041	76,837,907
Operating Expenses							
Utilities	-	50,561	1,475,078	-	-	-	1,525,639
Supplies and materials	582	3,774,312	268,271	45,450	74,844	11,020	4,174,479
Personal services	442,292	3,363,483	1,551,075	752,483	5,296,622	1,151,266	12,557,221
Contractual services	1,756,361	102,238	118,899	1,724,215	12,777	158,057	3,872,547
Other services and charges	3,868,654	1,465,650	2,942,167	33,774,861	1,391,150	377,080	43,819,562
Depreciation and amortization	919,953	4,225,068	77,494	-	47,333	-	5,269,848
Total operating expenses	6,987,842	12,981,312	6,432,984	36,297,009	6,822,726	1,697,423	71,219,296
Operating Income (Loss)	247,054	5,035,653	1,219,457	(113,455)	(775,716)	5,618	5,618,611
Nonoperating Revenue (Expense)							
Investment income	276,227	1,106,630	515,457	2,478,622	198,898	10,365	4,586,199
Interest expense	(22,152)	(193)	-	-	-	-	(22,345)
Gain (loss) on sale of assets	-	364,041	-	-	-	-	364,041
Other nonoperating revenue	-	23,373	-	-	-	-	23,373
Total nonoperating revenue	254,075	1,493,851	515,457	2,478,622	198,898	10,365	4,951,268
Income (Loss) - Before capital contributions	501,129	6,529,504	1,734,914	2,365,167	(576,818)	15,983	10,569,879
Capital Contributions	-	1,779,433	-	-	-	-	1,779,433
Transfers In	7,000,000	338,695	-	-	-	-	7,338,695
Transfers Out	-	(4,142,000)	(2,255,383)	(30,000)	(1,733)	-	(6,429,116)
Change in Net Position	7,501,129	4,505,632	(520,469)	2,335,167	(578,551)	15,983	13,258,891
Net Position (Deficit) - Beginning of year	6,302,026	39,272,325	10,243,042	31,438,351	(196,378)	(1,155,750)	85,903,616
Net Position (Deficit) - End of year	\$ 13,803,155	\$ 43,777,957	\$ 9,722,573	\$ 33,773,518	\$ (774,929)	\$ (1,139,767)	\$ 99,162,507

City of Grand Rapids, Michigan

Supplementary Information Combining Statement of Cash Flows Internal Service Funds

Year Ended June 30, 2024

	Information Technology	Motor Equipment	Facilities Management	Insurance Payment	Engineering Services	311 Program	Total Internal Service Funds
Cash Flows from Operating Activities							
Receipts from customers	\$ 7,234,896	\$ 18,015,469	\$ 7,677,825	\$ 34,367,089	\$ 6,018,636	\$ 1,703,041	\$ 75,016,956
Payments to suppliers	(8,493,278)	(5,540,703)	(4,789,653)	(29,791,752)	(1,466,013)	(542,753)	(50,624,152)
Payments to employees	(304,591)	(2,237,964)	(1,011,231)	(689,377)	(3,241,952)	(727,769)	(8,212,884)
Payments for payroll taxes and benefits	(139,757)	(1,144,754)	(599,288)	(3,709,306)	(1,599,950)	(450,971)	(7,644,026)
Net cash (used in) provided by operating activities	(1,702,730)	9,092,048	1,277,653	176,654	(289,279)	(18,452)	8,535,894
Cash Flows from Noncapital Financing Activities							
Transfers from other funds	7,000,000	338,695	-	-	-	-	7,338,695
Transfers to other funds	-	(4,142,000)	(2,255,383)	(30,000)	(1,733)	-	(6,429,116)
Net cash provided by (used in) noncapital financing activities	7,000,000	(3,803,305)	(2,255,383)	(30,000)	(1,733)	-	909,579
Cash Flows from Capital and Related Financing Activities							
Proceeds from sale of capital assets	-	387,414	-	-	-	-	387,414
Purchase of capital assets	(408,155)	(3,805,814)	-	-	-	-	(4,213,969)
Principal and interest paid on capital debt	(1,036,302)	(5,305)	-	-	(56,101)	-	(1,097,708)
Net cash used in capital and related financing activities	(1,444,457)	(3,423,705)	-	-	(56,101)	-	(4,924,263)
Cash Flows Provided by Investing Activities - Interest received on investments							
	270,217	1,117,398	518,669	2,498,075	200,212	10,710	4,615,281
Net Increase (Decrease) in Cash	4,123,030	2,982,436	(459,061)	2,644,729	(146,901)	(7,742)	9,136,491
Cash - Beginning of year	5,904,827	21,816,516	11,493,823	40,020,232	5,487,856	255,565	84,978,819
Cash - End of year	\$ 10,027,857	\$ 24,798,952	\$ 11,034,762	\$ 42,664,961	\$ 5,340,955	\$ 247,823	\$ 94,115,310
Classification of Cash							
Cash and investments	\$ 10,027,857	\$ 24,798,952	\$ 11,034,762	\$ 36,548,428	\$ 5,340,955	\$ 247,823	\$ 87,998,777
Restricted cash	-	-	-	6,116,533	-	-	6,116,533
Total cash	\$ 10,027,857	\$ 24,798,952	\$ 11,034,762	\$ 42,664,961	\$ 5,340,955	\$ 247,823	\$ 94,115,310

Supplementary Information
Combining Statement of Cash Flows (Continued)
Internal Service Funds

Year Ended June 30, 2024

	Information Technology	Motor Equipment	Facilities Management	Insurance Payment	Engineering Services	311 Program	Total Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities							
Operating income (loss)	\$ 247,054	\$ 5,035,653	\$ 1,219,457	\$ (113,455)	\$ (775,716)	5,618	\$ 5,618,611
Adjustments to reconcile operating income (loss) to net cash from operating activities:							
Depreciation and amortization	919,953	4,225,068	77,494	-	47,333	-	5,269,848
Changes in assets and liabilities:							
Receivables	-	(1,496)	25,384	(417,987)	(28,374)	-	(422,473)
Inventories	-	271,915	-	-	-	-	271,915
Prepaid and other assets	(3,093,099)	-	-	-	-	-	(3,093,099)
Accounts payable	225,418	(481,546)	(24,413)	834,352	14,504	3,404	571,719
Net pension or OPEB liability	(17,760)	(14,251)	(101,579)	(118,793)	374,532	(67,847)	54,302
Deferrals related to pension or OPEB	13,184	72,497	46,708	30,603	69,671	33,896	266,559
Accrued and other liabilities	2,520	(15,792)	34,602	(38,066)	8,771	6,477	(1,488)
Total adjustments	(1,949,784)	4,056,395	58,196	290,109	486,437	(24,070)	2,917,283
Net cash (used in) provided by operating activities	<u>\$ (1,702,730)</u>	<u>\$ 9,092,048</u>	<u>\$ 1,277,653</u>	<u>\$ 176,654</u>	<u>\$ (289,279)</u>	<u>\$ (18,452)</u>	<u>\$ 8,535,894</u>
Significant Noncash Transactions							
Contributions of capital assets	\$ -	\$ 1,779,433	\$ -	\$ -	\$ -	\$ -	\$ 1,779,433
New subscriptions entered into	-	-	-	-	168,849	-	168,849

Combining Statement of Net Position

Corridor Improvement Authorities - Component Units

June 30, 2024

	Southtown	North Quarter	Uptown	West Side	Michigan Street	South Division - Grandville	Total
Assets:							
Equity in pooled cash and investments	\$ 616,636	\$ 121,737	\$ 71,958	\$ 803,476	\$ 591,445	\$ 354,758	\$2,560,010
Receivables, net	2,247	476	900	2,805	2,008	1,217	9,653
Capital assets subject to depreciation, net	-	-	61	-	-	-	61
Total assets	<u>\$ 618,883</u>	<u>\$ 122,213</u>	<u>\$ 72,919</u>	<u>\$ 806,281</u>	<u>\$ 593,453</u>	<u>\$ 355,975</u>	<u>\$2,569,724</u>
Liabilities:							
Vouchers payable and accruals	\$ -	\$ -	\$ 16,496	\$ -	\$ -	\$ 1,333	\$ 17,829
Net position:							
Net investment in capital assets	-	-	61	-	-	-	61
Restricted - Urban and community development	618,883	122,213	56,362	806,281	593,453	354,642	2,551,834
Total net position	<u>618,883</u>	<u>122,213</u>	<u>56,423</u>	<u>806,281</u>	<u>593,453</u>	<u>354,642</u>	<u>2,551,895</u>
Total liabilities and net position	<u>\$ 618,883</u>	<u>\$ 122,213</u>	<u>\$ 72,919</u>	<u>\$ 806,281</u>	<u>\$ 593,453</u>	<u>\$ 355,975</u>	<u>\$2,569,724</u>

Combining Statement of Activities

Corridor Improvement Authorities - Component Units

Year Ended June 30, 2024

	Southtown	North Quarter	Uptown	West Side	Michigan Street	South Division - Grandville	Total
Revenues:							
Property taxes	\$ 429,295	\$ 79,113	\$ 380,086	\$ 480,597	\$ 245,659	\$ 242,935	\$1,857,685
Other grants and contributions	-	1,458	-	-	-	-	1,458
Interest income	21,253	4,506	8,578	26,536	18,975	11,519	91,367
Unrealized gain on investments	(25,822)	(5,319)	(10,249)	(32,536)	(22,728)	(14,144)	(110,798)
Total revenues	<u>424,726</u>	<u>79,758</u>	<u>378,415</u>	<u>474,597</u>	<u>241,906</u>	<u>240,310</u>	<u>1,839,712</u>
Expenses:							
Urban and community development	<u>209,891</u>	<u>64,164</u>	<u>419,401</u>	<u>175,380</u>	<u>93,121</u>	<u>100,163</u>	<u>1,062,120</u>
Change in net position	214,835	15,594	(40,986)	299,217	148,785	140,147	777,592
Net Position - beginning	<u>404,048</u>	<u>106,619</u>	<u>97,409</u>	<u>507,064</u>	<u>444,668</u>	<u>214,495</u>	<u>1,774,303</u>
Net Position - ending	<u>\$ 618,883</u>	<u>\$ 122,213</u>	<u>\$ 56,423</u>	<u>\$ 806,281</u>	<u>\$ 593,453</u>	<u>\$ 354,642</u>	<u>\$2,551,895</u>

Supplementary Information
Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds

June 30, 2024

	Pension Trust Funds		Retiree Health Care Trust Funds			Total Pension and Other Employee Benefit Trust Funds
	Police and Fire	General	General	Police	Fire	
Assets						
Equity in pooled cash and investments	\$ -	\$ -	\$ 675,448	\$ 190,575	\$ 631,597	\$ 1,497,620
Investments held by trustee:						
Cash and money market funds	4,579,643	51,309,754	308,291	1,047,397	575,702	57,820,787
U.S. government securities	51,563,534	36,804,913	-	-	-	88,368,447
Other	54,407,190	51,814,464	-	-	-	106,221,654
State and municipal bonds	534,201	495,913	-	-	-	1,030,114
Corporate bonds and fixed-income commingled funds	75,562,060	82,198,091	6,514,262	18,201,836	9,665,788	192,142,037
Common stocks and equity mutual funds	247,958,299	210,736,107	7,756,661	21,664,732	11,535,024	499,650,823
Asset-backed securities	7,960,720	7,112,244	-	-	-	15,072,964
Real estate securities	24,732,801	22,550,281	-	-	-	47,283,082
Commodities	23,469,681	22,173,494	-	-	-	45,643,175
Collateral held by broker under securities lending - Short-term fixed income	30,732,658	34,852,254	-	-	-	65,584,912
Receivables:						
Contributions	1,442,296	965,389	-	-	-	2,407,685
Accrued interest receivable	736,440	797,053	25,098	68,489	37,212	1,664,292
Pending trades - Sales	1,372,732	47,628,520	-	-	-	49,001,252
Total assets	<u>525,052,255</u>	<u>569,438,477</u>	<u>15,279,760</u>	<u>41,173,029</u>	<u>22,445,323</u>	<u>1,173,388,844</u>
Liabilities						
Vouchers and accounts payable	370,902	312,142	220,083	158,889	81,419	1,143,435
Pending trades - Purchases and other payables	431,301	75,288,650	-	-	-	75,719,951
Obligations under securities lending agreements	30,732,658	34,852,254	-	-	-	65,584,912
Total liabilities	<u>31,534,861</u>	<u>110,453,046</u>	<u>220,083</u>	<u>158,889</u>	<u>81,419</u>	<u>142,448,298</u>
Net Position - Restricted						
Pension	493,517,394	458,985,431	-	-	-	952,502,825
Postemployment benefits other than pension	-	-	15,059,677	41,014,140	22,363,904	78,437,721
Total net position	<u>\$ 493,517,394</u>	<u>\$ 458,985,431</u>	<u>\$ 15,059,677</u>	<u>\$ 41,014,140</u>	<u>\$ 22,363,904</u>	<u>\$ 1,030,940,546</u>

Supplementary Information
Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds

Year Ended June 30, 2024

	Pension Trust Funds		Retiree Health Care Trust Funds			Total Pension and Other Employee Benefit Trust Funds
	Police and Fire	General	General	Police	Fire	
Additions						
Investment income:						
Interest and dividends	\$ 7,780,022	\$ 7,431,139	\$ 453,630	\$ 1,146,869	\$ 623,152	\$ 17,434,812
Net increase in fair value of investments	43,254,024	36,125,666	950,040	2,578,745	1,385,505	84,293,980
Investment costs	(1,046,172)	(969,211)	-	-	-	(2,015,383)
Net investment income	49,987,874	42,587,594	1,403,670	3,725,614	2,008,657	99,713,409
Securities lending income	149,094	159,974	-	-	-	309,068
Contributions:						
Employer contributions	16,366,549	15,712,437	1,044,879	109,568	496,508	33,729,941
Plan member contributions	6,062,639	2,251,542	-	-	-	8,314,181
Total contributions	22,429,188	17,963,979	1,044,879	109,568	496,508	42,044,122
Total additions	72,566,156	60,711,547	2,448,549	3,835,182	2,505,165	142,066,599
Deductions						
Benefit payments	38,032,984	38,103,889	3,653,520	2,783,080	1,716,500	84,289,973
Administrative expenses	645,899	638,155	190,760	205,280	142,918	1,823,012
Total deductions	38,678,883	38,742,044	3,844,280	2,988,360	1,859,418	86,112,985
Net Increase (Decrease) in Fiduciary Net Position	33,887,273	21,969,503	(1,395,731)	846,822	645,747	55,953,614
Net Position - Beginning of year	459,630,121	437,015,928	16,455,408	40,167,318	21,718,157	974,986,932
Net Position - End of year	\$ 493,517,394	\$ 458,985,431	\$ 15,059,677	\$ 41,014,140	\$ 22,363,904	\$ 1,030,940,546

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity
June 30, 2024

Function and Activity	Land	Easements/ Right of way	Land Improvements	Building and Structures	Machinery and Equipment	Motor Vehicles	Office		Construction in Progress	Totals
							Furniture and Equipment	Infrastructures		
General government:	\$ 3,079,618	\$ -	\$ 966,349	\$ 50,958,596	\$ 12,980,153	\$ -	\$ -	\$ -	\$ 18,109,702	\$ 86,094,418
Public safety:										
Police	1,455,462	-	-	23,754,085	2,415,526	1,046,191	54,195	-	75,781	28,801,240
Fire	2,047,646	-	13,150	6,475,854	3,395,143	14,135,526	29,741	-	1,568,793	27,665,853
Total public safety	3,503,108	-	13,150	30,229,939	5,810,669	15,181,717	83,936	-	1,644,574	56,467,093
Public works:										
Public works	6,566,744	1,663,319	18,516,021	624,539	1,116,761	33,265	-	569,553,574	24,969,609	623,043,832
Street lighting	-	1,972	-	450,372	52,821	-	-	33,516,223	1,491,831	35,513,219
Traffic safety	-	4,323	16,951	3,132,061	546,288	-	66,669	8,885,878	87,086	12,739,256
Total public works	6,566,744	1,669,614	18,532,972	4,206,972	1,715,870	33,265	66,669	611,955,675	26,548,526	671,296,307
Culture and recreation:										
Libraries	2,284,018	-	72,997	37,952,648	2,586,368	248,081	2,018,539	-	-	45,162,651
Museum	2,736,700	-	-	42,532,333	114,709	1	530,787	-	-	45,914,530
Parks	12,812,121	39,922	53,218,383	15,366,128	1,646,419	101,561	-	-	6,960,086	90,144,620
Total culture and recreation	17,832,839	39,922	53,291,380	95,851,109	4,347,496	349,643	2,549,326	-	6,960,086	181,221,801
Urban and community development:										
Community and economic development	-	-	-	-	-	30,713	-	-	-	30,713
Total urban and community development	-	-	-	-	-	30,713	-	-	-	30,713
Total governmental funds capital assets	\$ 30,982,309	\$ 1,709,536	\$ 72,803,851	\$ 181,246,616	\$ 24,854,188	\$ 15,595,338	\$ 2,699,931	\$ 611,955,675	\$ 53,262,888	\$ 995,110,332

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function and Activity
Year Ended June 30, 2024

Function and Activity	June 30, 2023	Reclassification	Additions	Deletions	June 30, 2024
General government	\$ 70,166,820	\$ -	\$ 17,947,112	\$ 2,019,513	\$ 86,094,419
Public safety:					
Police	28,568,166	-	466,080	233,006	28,801,240
Fire	25,405,196	-	2,793,561	532,904	27,665,853
Total public safety	53,973,362	-	3,259,641	765,910	56,467,093
Public works:					
Public works	613,572,340	-	9,517,141	45,650	623,043,831
Street lighting	30,666,837	-	4,846,382	-	35,513,219
Traffic safety	12,653,060	-	327,099	240,903	12,739,256
Total public works	656,892,237	-	14,690,622	286,553	671,296,306
Culture and recreation:					
Libraries	44,572,877	-	589,774	-	45,162,651
Museum	46,259,031	-	-	344,501	45,914,530
Parks	87,023,643	-	3,207,264	86,287	90,144,620
Total culture and recreation	177,855,551	-	3,797,038	430,788	181,221,801
Urban and community development:					
Community and economic development	30,713	-	-	-	30,713
Total urban and community development	30,713	-	-	-	30,713
Total governmental funds capital assets	\$ 958,918,683	\$ -	\$ 39,694,413	\$ 3,502,764	\$ 995,110,332

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as *governmental activities* in the statement of net position.

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Statistical Section

This part of the City of Grand Rapid's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the City's overall financial health.

The statistical section is organized into the following main categories:

Financial trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue capacity

These schedules contain information to help the reader assess two locally levied taxes, the property tax collected by the City Treasurer which is the largest locally levied tax and the income tax collected by the City's Income Tax Department which is the city's most significant revenue source.

Debt capacity

These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.

Demographics and economic information

These schedules help the reader understand the environment within which the government's financial activities take place.

Operating information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Net Position by Component (Unaudited)

Last Ten Fiscal Years
June 30, 2024

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental Activities:										
Net investment in capital assets	\$ 228,176,623	\$ 202,004,329	\$ 178,448,878	\$ 201,008,554	\$ 211,201,069	\$ 229,721,640	\$ 257,859,021	\$ 254,278,896	\$ 267,551,294	\$ 277,970,021
Restricted	16,462,828	28,568,423	31,118,311	25,235,721	35,893,928	32,130,138	24,647,736	29,285,971	42,092,769	53,228,965
Unrestricted	<u>83,771,482</u>	<u>69,438,666</u>	<u>51,058,700</u>	<u>(53,962,764)</u>	<u>(73,562,866)</u>	<u>(81,583,684)</u>	<u>(77,340,309)</u>	<u>(23,153,754)</u>	<u>(17,435,230)</u>	<u>15,093,631</u>
Total net position	<u>\$ 328,410,933</u>	<u>\$ 300,011,418</u>	<u>\$ 260,625,889</u>	<u>\$ 172,281,511</u>	<u>\$ 173,532,131</u>	<u>\$ 180,268,094</u>	<u>\$ 205,166,448</u>	<u>\$ 260,411,113</u>	<u>\$ 292,208,833</u>	<u>\$ 346,292,617</u>
Business-type Activities:										
Net investment in capital assets	\$ 374,185,834	\$ 392,979,402	\$ 400,784,184	\$ 417,402,970	\$ 426,225,161	\$ 441,758,325	\$ 440,122,469	\$ 460,567,972	\$ 479,521,033	\$ 487,844,587
Restricted	33,589,225	32,359,186	33,335,807	32,078,561	37,902,922	36,073,946	37,775,435	33,752,511	34,186,978	34,411,977
Unrestricted	<u>76,022,631</u>	<u>80,686,568</u>	<u>89,651,460</u>	<u>96,236,519</u>	<u>99,265,616</u>	<u>102,529,284</u>	<u>115,595,990</u>	<u>112,027,789</u>	<u>111,878,935</u>	<u>152,420,475</u>
Total net position	<u>\$ 483,797,690</u>	<u>\$ 506,025,156</u>	<u>\$ 523,771,451</u>	<u>\$ 545,718,050</u>	<u>\$ 563,393,699</u>	<u>\$ 580,361,555</u>	<u>\$ 593,493,894</u>	<u>\$ 606,348,272</u>	<u>\$ 625,586,946</u>	<u>\$ 674,677,039</u>
Primary government in total:										
Net investment in capital assets	\$ 602,362,457	\$ 594,983,731	\$ 579,233,062	\$ 618,411,524	\$ 637,426,230	\$ 671,479,965	\$ 697,981,490	\$ 714,846,868	\$ 747,072,327	\$ 765,814,608
Restricted	50,052,053	60,927,609	64,454,118	57,314,282	73,796,850	68,204,084	62,423,171	63,038,482	76,279,747	87,640,942
Unrestricted	<u>159,794,113</u>	<u>150,125,234</u>	<u>140,710,160</u>	<u>42,273,755</u>	<u>25,702,750</u>	<u>20,945,600</u>	<u>38,255,681</u>	<u>88,874,035</u>	<u>94,443,705</u>	<u>167,514,106</u>
Total net position	<u>\$ 812,208,623</u>	<u>\$ 806,036,574</u>	<u>\$ 784,397,340</u>	<u>\$ 717,999,561</u>	<u>\$ 736,925,830</u>	<u>\$ 760,629,649</u>	<u>\$ 798,660,342</u>	<u>\$ 866,759,385</u>	<u>\$ 917,795,779</u>	<u>\$ 1,020,969,656</u>

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental activities:										
General government	\$ 27,158,278	\$ 31,370,052	\$ 32,918,016	\$ 36,888,060	\$ 35,996,997	\$ 40,282,684	\$ 39,126,873	\$ 37,635,497	\$ 44,296,211	\$ 45,553,732
Public safety	76,336,144	101,714,766	111,566,878	109,576,349	121,743,341	106,538,215	97,300,350	90,373,298	122,775,160	124,984,242
Public works	63,819,694	72,032,052	73,773,068	65,283,661	56,037,610	61,821,864	60,070,801	57,265,534	63,939,716	79,704,901
Culture and Recreation	19,718,462	17,714,262	18,038,363	14,263,996	22,132,872	19,476,730	25,427,655	23,410,355	26,201,737	32,296,821
Urban & Community Development	14,719,552	17,361,430	19,611,904	21,061,730	20,378,186	21,167,228	23,972,817	22,386,293	23,498,676	27,533,282
Health and Welfare	-	-	-	-	-	-	-	-	-	7,161
Interest on long-term debt	3,936,941	3,892,373	4,600,305	4,166,106	3,650,427	1,440,151	2,295,664	2,392,755	2,046,625	3,138,069
Total governmental activities expenses	\$ 205,689,071	\$ 244,084,935	\$ 260,508,534	\$ 251,239,902	\$ 259,939,433	\$ 250,726,872	\$ 248,194,160	\$ 233,463,732	\$ 282,758,125	\$ 313,218,208
Business-type activities:										
Water Supply System	33,302,278	36,197,215	39,206,129	35,258,241	43,032,854	43,039,468	44,905,277	44,569,577	54,207,809	52,065,052
Sewage Disposal System	45,184,106	47,691,862	50,334,631	48,601,656	55,587,737	59,197,195	63,941,043	61,507,678	62,304,794	65,516,041
Auto Parking System	11,594,252	14,249,852	15,902,942	16,949,252	22,154,543	19,019,579	20,070,059	-	20,854,865	20,862,013
Other Enterprises	2,411,202	1,950,213	2,513,612	2,162,706	2,675,817	2,895,949	2,481,452	20,615,392	3,371,820	3,628,531
Total business-type activities expenses	92,491,838	100,089,142	107,957,314	102,971,855	123,450,951	124,152,191	131,397,831	126,692,647	140,739,288	142,071,637
Total primary government expenses	\$ 298,180,909	\$ 344,174,077	\$ 368,465,848	\$ 354,211,757	\$ 383,390,384	\$ 374,879,063	\$ 379,591,991	\$ 360,156,379	\$ 423,497,413	\$ 455,289,845
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 8,920,866	\$ 8,828,209	\$ 9,099,565	\$ 8,562,555	\$ 14,488,163	\$ 10,143,095	\$ 10,657,737	\$ 11,462,872	\$ 17,560,448	\$ 16,376,758
Public safety	2,151,757	1,752,816	1,764,425	2,758,010	2,416,008	2,006,107	1,500,363	2,903,802	2,206,905	2,254,150
Public works	11,231,351	11,708,111	11,372,907	12,088,820	13,621,327	14,239,342	16,382,361	14,156,378	16,640,731	15,955,799
Culture and recreation	807,855	765,030	882,614	1,203,052	1,105,798	750,288	412,030	597,944	785,995	836,785
Urban & community development	8,785,932	10,836,002	9,961,856	10,243,173	12,270,634	11,040,627	9,790,125	11,462,240	10,901,994	9,846,235
Total Charges for services:	31,897,761	33,890,168	33,081,367	34,855,613	43,901,930	38,179,459	38,742,616	40,583,236	48,096,073	45,269,727
Operating grants and contributions:	15,145,783	15,432,226	13,056,796	36,120,086	39,313,771	37,619,348	58,468,438	60,795,884	50,836,979	72,089,096
Capital grants and contributions	1,778,543	1,376,082	992,780	4,717,120	3,520,635	2,171,218	1,250,844	2,074,808	1,980,334	7,092,543
Total governmental activities program revenues	48,822,087	50,698,476	47,130,943	75,692,819	86,736,336	77,970,025	98,461,898	103,453,928	100,913,386	124,451,366
Business-type activities:										
Charges for services:										
Water Supply System	40,014,365	41,968,413	43,536,557	45,852,294	46,044,222	48,756,354	51,237,955	50,986,717	54,846,203	59,046,684
Sewage Disposal System	51,991,509	54,119,246	54,751,997	55,657,384	57,505,735	60,065,463	60,694,116	67,532,053	68,788,313	70,457,770
Auto Parking System	15,712,638	15,361,175	20,120,530	20,307,490	20,458,374	16,096,227	11,676,256	-	19,480,204	22,498,913
Other Enterprise	2,090,739	1,940,424	1,939,830	2,100,249	2,102,458	2,042,445	2,416,540	20,992,178	2,978,799	3,067,329
Total Charges for services:	109,809,251	113,389,258	120,348,914	123,917,417	126,110,789	126,960,489	126,024,867	139,510,948	146,093,519	155,070,696
Operating grants and contributions:	630,374	623,218	653,864	629,035	631,994	616,323	684,887	1,372,361	6,894,900	4,334,265
Capital grants and contributions:	4,593,227	6,216,877	5,274,555	7,236,180	5,156,169	5,244,502	15,310,402	3,003,774	2,924,861	23,255,989
Total business-type activities program revenues	115,032,852	120,229,353	126,277,333	131,782,632	131,898,952	132,821,314	142,020,156	143,887,083	155,913,280	182,660,950
Total primary government program revenues	\$ 163,854,939	\$ 170,927,829	\$ 173,408,276	\$ 207,475,451	\$ 218,635,288	\$ 210,791,339	\$ 240,482,054	\$ 247,341,011	\$ 256,826,666	\$ 307,112,316
Net (expense)/revenue										
Governmental activities	\$ (156,866,984)	\$ (193,386,459)	\$ (213,377,591)	\$ (175,547,083)	\$ (173,203,097)	\$ (172,756,847)	\$ (149,732,262)	\$ (130,009,804)	\$ (181,844,739)	\$ (188,766,842)
Business-type activities	22,541,014	20,140,211	18,320,019	28,810,777	8,448,001	8,669,123	10,622,325	17,194,436	15,173,992	40,589,313
Total primary government net expense	\$ (134,325,970)	\$ (173,246,248)	\$ (195,057,572)	\$ (146,736,306)	\$ (164,755,096)	\$ (164,087,724)	\$ (139,109,937)	\$ (112,815,368)	\$ (166,670,747)	\$ (148,177,529)

Changes in Net Position (Unaudited)

Last Ten Fiscal Years
June 30, 2024

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 37,716,877	\$ 38,976,376	\$ 39,505,377	\$ 39,913,281	\$ 41,591,480	\$ 43,167,224	\$ 44,952,942	\$ 47,728,580	\$ 50,293,292	\$ 55,401,179
Income taxes	81,968,457	88,174,251	94,038,914	98,558,635	105,064,760	104,590,639	101,814,872	122,928,335	132,473,827	136,795,880
Intergovernmental, unrestricted	34,254,030	34,437,232	37,443,494	20,977,402	21,709,793	20,853,440	24,077,656	28,259,417	28,470,105	29,658,114
Unrestricted investment earnings	2,104,705	3,592,965	217,143	3,364,427	7,762,294	10,265,778	3,722,329	(13,814,112)	1,938,943	18,385,277
Miscellaneous	494,106	626,056	1,070,668	816,860	842,188	206,916	514,763	984,977	1,330,882	2,202,361
Gain on sale of capital assets	-	-	-	209,777	172,522	-	206,001	53,308	21,662	-
Transfers	1,252,086	(819,936)	1,716,466	1,678,354	(2,689,320)	(1,096,255)	(657,947)	(886,036)	(886,252)	407,815
Total governmental activities:	<u>157,790,261</u>	<u>164,986,944</u>	<u>173,992,062</u>	<u>165,518,736</u>	<u>174,453,717</u>	<u>177,987,742</u>	<u>174,630,616</u>	<u>185,254,469</u>	<u>213,642,459</u>	<u>242,850,626</u>
Business- type activities:										
Unrestricted investment earnings	697,150	1,107,815	10,638	1,670,570	5,974,331	6,566,634	987,174	(6,465,998)	2,000,298	8,272,973
Miscellaneous	161,301	159,504	1,128,510	3,642,538	564,224	635,844	876,428	1,239,904	1,178,132	635,622
Gain on sale of capital assets	-	-	3,594	250,456	(227)	-	(11,535)	-	-	-
Transfers	(1,252,086)	819,936	(1,716,466)	(1,678,354)	2,689,320	1,096,255	657,947	886,036	886,252	(407,815)
Special Item- Refund Water Bonds	-	-	-	-	-	-	-	-	-	-
Total business- type activities	<u>(393,635)</u>	<u>2,087,255</u>	<u>(573,724)</u>	<u>3,885,210</u>	<u>9,227,648</u>	<u>8,298,733</u>	<u>2,510,014</u>	<u>(4,340,058)</u>	<u>4,064,682</u>	<u>8,500,780</u>
Total primary government	<u>\$ 157,396,626</u>	<u>\$ 167,074,199</u>	<u>\$ 173,418,338</u>	<u>\$ 169,403,946</u>	<u>\$ 183,681,365</u>	<u>\$ 186,286,475</u>	<u>\$ 177,140,630</u>	<u>\$ 180,914,411</u>	<u>\$ 217,707,141</u>	<u>\$ 251,351,406</u>
Change in Net Position										
Governmental activities	\$ 923,277	\$ (28,399,515)	\$ (39,385,529)	\$ (10,028,347)	\$ 1,250,620	\$ 5,230,895	\$ 24,898,354	\$ 55,244,665	\$ 31,797,720	\$ 54,083,784
Business- type activities	<u>22,147,379</u>	<u>22,227,466</u>	<u>17,746,295</u>	<u>32,695,987</u>	<u>17,675,649</u>	<u>16,967,856</u>	<u>13,132,339</u>	<u>12,854,378</u>	<u>19,238,674</u>	<u>49,090,093</u>
Total primary government	<u>\$ 23,070,656</u>	<u>\$ (6,172,049)</u>	<u>\$ (21,639,234)</u>	<u>\$ 22,667,640</u>	<u>\$ 18,926,269</u>	<u>\$ 22,198,751</u>	<u>\$ 38,030,693</u>	<u>\$ 68,099,043</u>	<u>\$ 51,036,394</u>	<u>\$ 103,173,877</u>

Note: Gas and Weight Taxes were reclassified from intergovernmental to operating grants and contributions in 2018

Fund Balances, Governmental Funds (Unaudited)

Last Ten Fiscal Years

June 30, 2024

(modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund										
Nonspendable	\$ 6,370,712	\$ 5,021,173	\$ 3,372,266	\$ 3,426,797	\$ 3,393,029	\$ 1,776,654	\$ 416,721	\$ 524,238	\$ 826,882	\$ 913,595
Restricted	-	-	-	-	-	-	-	39,000	-	2,464,177
Committed	8,948,835	12,948,835	12,948,835	14,298,835	14,298,835	14,686,521	14,521,837	16,521,837	24,919,327	22,453,735
Assigned	9,183,103	8,304,141	7,369,018	7,684,988	7,146,167	10,670,002	13,884,680	13,036,833	15,775,839	13,179,661
Unassigned	<u>15,101,671</u>	<u>22,388,202</u>	<u>27,289,147</u>	<u>30,434,665</u>	<u>38,134,167</u>	<u>37,037,796</u>	<u>45,055,336</u>	<u>68,232,832</u>	<u>66,765,634</u>	<u>78,361,443</u>
Total general fund	<u>\$ 39,604,321</u>	<u>\$ 48,662,351</u>	<u>\$ 50,979,266</u>	<u>\$ 55,845,285</u>	<u>\$ 62,972,198</u>	<u>\$ 64,170,973</u>	<u>\$ 73,878,574</u>	<u>\$ 98,354,740</u>	<u>\$ 108,287,682</u>	<u>\$ 117,372,611</u>
All other governmental funds										
Nonspendable	\$ 3,904,986	\$ 3,872,045	\$ 3,610,387	\$ 3,853,221	\$ 3,997,733	\$ 4,102,153	\$ 4,147,210	\$ 4,332,276	\$ 4,221,600	\$ 4,595,676
Restricted	17,846,513	38,001,238	28,234,961	21,399,994	31,913,641	33,242,576	20,165,368	29,931,004	36,784,253	119,374,501
Committed	41,781,471	28,609,072	29,681,306	25,957,401	21,452,159	19,465,646	20,200,333	28,790,066	45,435,829	63,991,587
Assigned	12,436,480	20,334,463	25,645,492	24,248,331	29,863,370	31,258,990	28,195,215	28,584,061	28,218,051	32,966,841
Unassigned	<u>(377,415)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,116,991)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 75,592,035</u>	<u>\$ 90,816,818</u>	<u>\$ 87,172,146</u>	<u>\$ 75,458,947</u>	<u>\$ 87,226,903</u>	<u>\$ 88,069,365</u>	<u>\$ 72,708,126</u>	<u>\$ 90,520,416</u>	<u>\$ 114,659,733</u>	<u>\$ 220,928,605</u>

Changes in Fund Balances, Governmental Funds (Unaudited)

Last Ten Fiscal Years
June 30, 2024
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Property taxes	\$ 37,716,877	\$ 38,990,487	\$ 39,543,379	\$ 39,931,447	\$ 41,609,555	\$ 43,167,224	\$ 44,952,942	\$ 47,728,580	\$ 50,293,292	\$ 55,401,179
City income taxes	81,970,412	88,174,251	94,021,662	98,540,469	105,064,760	104,590,639	101,814,872	122,928,335	132,473,827	136,795,880
State shared taxes	34,252,075	34,440,574	37,422,744	41,065,069	43,201,166	43,323,050	48,795,289	54,383,847	56,434,687	57,193,228
Licenses and permits	3,751,887	7,699,250	7,360,290	7,533,264	7,511,388	6,617,788	5,544,233	7,661,786	8,185,148	8,270,929
Federal grants	8,480,882	8,335,065	8,718,422	7,922,886	9,211,600	8,369,510	24,638,578	26,201,078	11,583,599	31,269,609
State grants	4,276,576	3,118,910	900,182	5,923,695	6,072,025	2,622,484	2,187,355	2,598,310	3,615,064	6,258,250
Other grants & contributions	4,166,868	5,354,333	4,430,972	6,902,958	6,041,334	6,328,962	6,907,467	5,848,762	9,118,877	12,782,031
Charges for services	26,073,539	24,075,616	23,371,878	23,866,290	32,548,906	29,380,544	32,199,363	31,614,039	35,384,456	32,699,636
Fines and forfeitures	2,072,303	2,115,302	2,349,199	2,320,994	1,998,581	1,863,246	1,937,442	1,937,442	2,037,203	2,032,468
Investment earnings (loss)	1,005,208	1,812,434	(282,270)	1,684,235	5,112,136	6,865,356	1,300,570	(10,047,857)	411,948	13,799,078
Miscellaneous	491,350	626,056	1,066,531	878,678	806,836	386,319	776,406	905,092	1,338,501	2,199,917
Total revenues	\$ 204,257,977	\$ 214,742,278	\$ 218,902,989	\$ 236,569,985	\$ 259,178,287	\$ 253,515,122	\$ 271,054,517	\$ 291,759,218	\$ 310,876,602	\$ 358,702,205
Expenditures:										
Current:										
General government	\$ 27,018,056	\$ 28,696,169	\$ 30,130,282	\$ 30,704,431	\$ 32,938,959	\$ 35,468,553	\$ 35,650,857	\$ 35,779,427	\$ 39,406,261	\$ 43,400,441
Public safety	81,072,054	83,471,722	85,419,851	86,486,306	91,996,757	93,737,136	97,589,907	101,522,434	107,830,507	118,110,493
Public works	31,291,362	31,432,079	32,215,909	35,243,966	37,245,428	41,012,527	40,180,852	41,244,131	43,789,680	45,868,427
Culture and recreation	18,390,409	17,791,041	17,775,381	19,868,500	20,438,421	21,961,324	22,063,780	23,921,682	27,878,025	26,923,654
Health and welfare	-	-	-	-	-	-	-	-	-	7,161
Urban and community development	16,506,585	15,763,012	17,892,513	18,025,781	20,361,511	20,059,146	22,674,048	23,177,134	22,868,389	27,142,618
Debt service:										
Principal	8,508,124	7,437,220	7,349,646	26,774,209	7,136,903	7,441,207	22,794,037	5,804,775	7,427,481	7,791,169
Interest, fees, and bond issue costs	3,700,435	3,908,361	4,363,449	4,079,345	3,854,184	3,773,874	2,790,521	2,616,268	2,349,151	2,807,355
Capital outlay	29,024,143	35,497,277	39,899,156	23,046,687	32,693,966	28,271,228	32,423,403	27,096,690	26,750,600	61,406,876
Total expenditures	215,511,168	223,996,881	235,046,187	244,229,225	246,666,129	251,724,995	276,167,405	261,162,541	278,300,094	333,458,194
Excess (deficit) of revenues over expenditures	\$ (11,253,191)	\$ (9,254,603)	\$ (16,143,198)	\$ (7,659,240)	\$ 12,512,158	\$ 1,790,127	\$ (5,112,888)	\$ 30,596,677	\$ 32,576,508	\$ 25,244,011
Other financing sources (uses):										
Transfers in	\$ 39,501,511	\$ 43,939,163	\$ 43,338,957	\$ 44,955,233	\$ 40,841,556	\$ 29,581,778	\$ 35,941,506	\$ 23,186,647	\$ 31,942,819	\$ 43,177,504
Transfers out	(41,363,356)	(43,674,269)	(40,473,207)	(44,420,279)	(43,528,888)	(31,110,743)	(36,557,144)	(24,097,285)	(30,856,627)	(43,679,268)
Sale of capital assets	1,571,243	120,109	304,079	5,480	-	1,329,280	2,670	107,997	2,620	25,857
Face value of bonds and contracts issued	21,550,000	37,840,000	12,045,000	-	8,210,000	18,735,000	3,867,238	11,790,000	-	81,900,000
Premium on bonds issued	-	3,886,102	-	-	785,507	1,492,494	265,029	630,889	-	8,226,410
Leases and SBITAs entered into	-	-	-	-	-	-	-	73,531	406,939	459,287
Payment to refunded bond escrow agent	-	(8,635,029)	-	-	-	(19,867,377)	(4,060,049)	-	-	-
Total other financing sources (uses)	21,259,398	33,476,076	15,214,829	540,434	6,308,175	160,432	(540,750)	11,691,779	1,495,751	90,109,790
Net change in fund balances	10,006,207	24,221,473	(928,369)	(7,118,806)	18,820,333	1,950,559	(5,653,638)	42,288,456	34,072,259	115,353,801
Fund balances, beginning	105,024,652	115,196,356	139,479,169	138,151,412	131,304,232	150,199,101	152,240,338	146,586,700	188,875,156	222,947,415
Current year change in inventory levels	165,497	61,340	(399,388)	271,626	74,536	90,678	-	-	-	-
Fund balances, ending	\$ 115,196,356	\$ 139,479,169	\$ 138,151,412	\$ 131,304,232	\$ 150,199,101	\$ 152,240,338	\$ 146,586,700	\$ 188,875,156	\$ 222,947,415	\$ 338,301,216
Debt Service as a percentage of non-capital expenditures	6.08%	5.27%	5.29%	13.59%	4.79%	4.46%	10.55%	3.60%	3.88%	3.65%

Note: Beginning in 2021, the City included the current year change in inventory levels with expenditures

Tax Revenue by Source - All Funds (Unaudited)

Last Ten Fiscal Years
June 30, 2024

Fiscal Year	City Taxes		State Shared Taxes				Total Tax Revenues, All Funds
	Local Income Tax	Property Tax, All Funds ¹	Sales Tax	Gas and Weight Tax	CVTRS / EVIP ²	Other	
2015	81,970,412	37,716,877	14,288,969	13,842,559	5,387,594	732,953	\$ 153,939,364
2016	88,174,251	38,990,487	14,275,240	14,633,980	5,289,078	242,276	161,605,312
2017	94,021,662	39,543,379	15,097,998	16,827,013	5,289,078	208,655	170,987,785
2018	98,540,469	39,931,447	15,623,672	20,087,667	5,314,458	39,272	179,536,985
2019	105,064,760	41,609,555	16,355,038	21,509,447	5,289,078	47,603	189,875,481
2020	104,590,639	43,167,224	16,187,769	22,469,610	4,638,106	27,565	191,080,913
2021	101,814,872	44,952,942	18,355,161	24,717,633	5,565,728	156,797	195,563,133
2022	122,928,335	47,728,580	24,564,154	26,801,871	2,838,521	179,301	225,040,762
2023	132,473,827	50,293,292	24,380,460	28,846,810	3,008,834	198,583	239,201,806
2024	136,795,880	55,401,179	24,980,285	28,901,627	3,109,600	201,716	249,390,287

	Percent to Total Tax Sources						% Increase (Decrease)
2015	53.2	24.5	9.3	9.0	3.5	0.5	5.6
2016	54.6	24.1	8.8	9.1	3.3	0.1	5.0
2017	55.0	23.1	8.8	9.8	3.1	0.1	5.8
2018	54.9	22.2	8.7	11.2	3.0	0.0	5.0
2019	55.3	21.9	8.6	11.3	2.8	0.0	5.8
2020	54.7	22.6	8.5	11.8	2.4	0.0	0.6
2021	52.1	23.0	9.4	12.6	2.8	0.1	2.3
2022	54.6	21.2	10.9	11.9	1.3	0.1	15.1
2023	55.4	21.0	10.2	12.1	1.3	0.1	6.3
2024	54.9	22.2	10.0	11.6	1.2	0.1	4.3

Note: (1) Excludes the discretely presented Component Units and special assessments.

(2) Starting 2013, the City, Village, and Township Revenue Sharing (CVTRS), previously Economic Vitality Incentive Program (EVIP) was a replacement for the former statutory State Shared Revenue program, which had been distributed according to a formula. The CVTRS program is not distributed by formula, but rather awards are determined based on grant project ranking.

Segmented Data on Local Income Tax Filers, Rates and Liability (Unaudited)

Current Year and Nine Years Previous

June 30, 2024

Taxable Income per Return	Calendar Year 2024					Calendar Year 2015				
	No. of	% of Total	Total Taxable		% of Total Tax	No. of	% of Total	Total Taxable		% of Total
	Returns	Returns	Income	Tax Dollars	Dollars	Returns	Returns	Income	Tax Dollars	Tax Dollars
Individual and Joint Returns										
Resident Taxpayers:										
\$32 or less	6,282	5%	\$ -	\$ -	0%	3,565	3%	\$ -	\$ -	0%
33 - 12,500	9,127	7%	55,000,000	820,000	1%	13,733	11%	80,500,000	1,210,000	2%
12,501 - 25,000	7,859	6%	147,200,000	2,210,000	2%	10,505	8%	194,600,000	2,920,000	5%
25,001 - 50,000	15,965	12%	591,900,000	8,880,000	10%	14,404	11%	521,200,000	7,820,000	13%
50,001 - 100,000	15,003	11%	1,056,200,000	15,840,000	18%	10,945	9%	759,600,000	11,390,000	19%
More than \$ 100,000	8,986	7%	1,744,000,000	26,160,000	29%	4,079	3%	721,700,000	10,830,000	18%
Subtotal	63,222	48%	\$ 3,594,300,000	\$ 53,910,000	60%	57,231	45%	\$ 2,277,600,000	\$ 34,170,000	56%
Non-Resident Taxpayers:										
\$66 or less	8,472	6%	\$ -	\$ -	0%	6,670	5%	\$ -	\$ -	0%
67 - 12,500	13,357	10%	70,400,000	530,000	1%	16,235	13%	83,100,000	620,000	1%
12,501 - 25,000	7,465	6%	137,300,000	1,030,000	1%	9,215	7%	171,000,000	1,280,000	2%
25,001 - 50,000	13,514	10%	503,200,000	3,770,000	4%	15,706	12%	577,200,000	4,330,000	7%
50,001 - 100,000	13,267	10%	921,100,000	6,910,000	8%	11,987	9%	814,200,000	6,110,000	10%
More than \$100,000	6,566	5%	1,517,400,000	11,380,000	13%	4,737	4%	980,100,000	7,350,000	12%
Subtotal	62,641	48%	\$ 3,149,400,000	\$ 23,620,000	26%	64,550	51%	\$ 2,625,600,000	\$ 19,690,000	33%
All Other Returns										
Subtotal	5,438	4%	\$ 779,500,000	\$ 11,680,000	13%	4,826	4%	\$ 350,500,000	\$ 6,680,000	11%
Total	131,301	100%	\$ 7,523,200,000	\$ 89,210,000	100%	126,607	100%	\$ 5,253,700,000	\$ 60,540,000	100%

Source: City Income Tax Department

Note: Information is taken from returns filed during the calendar year. Tax rates applicable through June 30,2010, were established by the City's electorate in 1995. In 2010, the City's electorate approved an increase in the tax rates effective July 1, 2010 for a five year period, which was extended by the voters in May 2014 to continue until June 30, 2030. The 2010/post-2010 tax rates are described in the following:

- City resident income, after exemptions, exclusions and deductions, are taxed at a flat rate of 1.3%/1.5% .
- Non- residents and trusts pay at a rate of 0.65%/ .75% on all City source income.
- Other taxpayers are corporations, which pay 1.3%/1.5% on all City source income, and partnerships, which may be filing information returns or remit the tax at a rate based on the partner's residence status.

The income tax is the most significant local revenue source.
Numbers may not total due to rounding.

Assessed and Estimated Actual Value of Taxable Property (Unaudited)

Last Ten Fiscal Years
June 30, 2024

Taxable Values

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Personal Property	Total Taxable Value	Renaissance Zone Property	Total Direct Tax Rate	Estimated Actual Value	Ratio of Total Taxable to Estimated Actual Value	Percent Increase (Decrease) in Estimated Actual Value Over Prior Year
2015	\$ 2,552,663,996	\$ 1,183,191,836	\$ 171,814,930	\$ 456,984,100	\$ 4,364,654,862	\$ (85,385,420)	9.1518	\$ 9,234,667,900	47	1.84
2016	2,606,974,602	1,197,154,599	174,669,827	476,934,700	4,455,733,728	(66,582,151)	9.1515	9,719,837,200	46	5.25
2017	2,659,890,604	1,228,972,004	172,032,774	392,802,400	4,453,697,782	(34,038,291)	9.1166	10,194,198,000	44	4.88
2018	2,759,511,596	1,301,686,385	172,823,262	395,426,000	4,629,447,243	(19,937,510)	9.0258	11,156,632,000	41	9.44
2019	2,888,475,740	1,399,351,973	175,721,947	396,575,400	4,860,125,060	(705,496)	8.9710	11,793,073,400	41	5.70
2020	3,048,959,434	1,535,994,302	181,686,636	398,935,600	5,165,575,972	(436,126)	8.9011	13,158,496,000	39	11.58
2021	3,230,848,336	1,652,945,913	188,732,942	414,690,100	5,487,217,291	(161,751)	8.8070	14,741,476,200	37	12.03
2022	3,392,051,552	1,721,254,932	199,560,788	428,796,800	5,741,664,072	(269,130)	8.9950	15,875,207,800	36	7.69
2023	3,651,249,357	1,860,347,490	219,027,166	440,049,100	6,170,673,113	(8,847,173)	8.8331	17,426,849,900	35	9.77
2024	3,971,917,185	2,044,507,568	243,332,824	455,121,600	6,714,879,177	(4,558,543)	9.0325	19,555,985,400	34	12.22

Note: State statute requires all property subject to ad valorem taxation be assessed at 50 percent of market value. Estimated actual value as shown is calculated by doubling the assessed value. Since 1994, any increase in the taxable value of existing property has been limited each year to the lower of 5% or the rate of inflation, until the property ownership is transferred. Only the taxable portion of the assessed value is presented above under the Taxable Value headings. Property located in designated Renaissance Zones is assessed on the ad valorem roll, but taxes due, other than school debt millages, are abated for 15 years.

Property Tax Levies and Collections (Unaudited)

Last Ten Fiscal Years
June 30, 2024

Fiscal Year Ended June 30	Tax Year	Original Tax Levy	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years (net of adjustments)	Total Collections to Date	
			Amount	Percentage of Levy	Amount		Percentage of Original Levy	
2015	2014	\$ 31,685,204	\$ 31,502,619	99.42	\$ (132,167)	\$ 31,370,452	99.01	
2016	2015	36,360,029	36,281,099	99.78	(83,003)	36,198,095	99.55	
2017	2016	36,345,588	36,317,720	99.92	(206,072)	36,111,648	99.36	
2018	2017	37,127,348	37,069,247	99.84	(437,785)	36,631,463	98.66	
2019	2018	38,644,162	38,545,648	99.75	(390,351)	38,155,297	98.73	
2020	2019	40,095,650	40,073,330	99.94	-	40,073,330	99.94	
2021	2020	41,645,373	41,641,041	99.99	-	41,641,041	99.99	
2022	2021	44,528,779	44,445,230	99.81	-	44,445,230	99.81	
2023	2022	46,399,770	46,251,187	99.68	-	46,251,187	99.68	
2024	2023	51,315,804	51,068,491	99.52	-	51,068,491	99.52	

Note: The tax levies and collections shown above are ad valorem taxes only and exclude amounts payable to discretely presented Component Units.

Property Tax Rates: Direct and Overlapping Governments (Unaudited)

Last Ten Fiscal Years
June 30, 2024

City of Grand Rapids Direct Tax Rates ¹

Fiscal Year	Tax Year	General Operating	Promotional and Advertising	Library ²	Refuse Collection	Parks ⁵	Total City	Total School ³	Total State Education	Total Intermodal Transit	Total County ⁶	Combined Total
Tax Rates: ⁴												
2015	2014	4.1070	0.0115	2.4533	1.6000	0.9800	9.1518	28.0768	6.0000	1.4700	5.6196	50.3182
2016	2015	4.1070	0.0112	2.4533	1.6000	0.9800	9.1515	28.3768	6.0000	1.4700	5.6196	50.6179
2017	2016	4.0881	0.0112	2.4419	1.6000	0.9754	9.1166	30.3217	6.0000	1.4688	6.0596	52.9667
2018	2017	4.0390	0.0107	2.4125	1.6000	0.9636	9.0258	29.6982	6.0000	1.4632	6.0518	52.2390
2019	2018	4.0095	0.0102	2.3948	1.6000	0.9565	8.9710	29.7181	6.0000	1.4658	6.2947	52.4496
2020	2019	3.9718	0.0096	2.3722	1.6000	0.9475	8.9011	30.2219	6.0000	1.4556	6.2584	52.8370
2021	2020	3.9221	0.0090	2.3406	1.6000	0.9353	8.8070	30.1656	6.0000	1.4457	6.2100	52.6283
2022	2021	3.8644	0.0087	2.3061	1.6000	1.2158	8.9950	29.0835	6.0000	1.4308	6.2474	51.7567
2023	2022	3.7801	0.0080	2.2558	1.6000	1.1892	8.8331	29.0032	6.0000	1.4074	6.2464	51.4901
2024	2023	3.7801	0.0074	2.2558	1.8000	1.1892	9.0325	29.0032	6.0000	1.4074	6.2464	51.6895

Note: (1) All rates are ad valorem rates. City includes amounts payable to discretely presented component units.
Due: July 1 Past Due: August 1 Penalties: 1% per month until paid; after February 14, a total of 4% (3% penalty and 1% collection fee) is added.

(2) Library includes Library Capital Improvement millages (for fiscal years 2015 through 2018) and portion of General Operating millage dedicated to Library Operations.
Starting fiscal year 2019, Library includes the Library milage and a portion of the General Operating milage dedicated to Library Operations.

(3) Rate includes Grand Rapids Public School non- homestead rate, Kent Intermediate School District, and Grand Rapids Community College.
Property occupied as the owner's principal residence may have an 18 mill reduction in the school tax millage.

(4) Property tax rates: per \$ 1,000 of Taxable Value.

(5) The voters approved this millage in November 2013, from which the first receipts were in July 2015.

(6) The voters approved a new millage for the zoo and museum in November 2015, from which the first receipts were in December 2016.

Principal Property Tax Taxpayers (Unaudited)

Current Year and Nine Years Previous
June 30, 2024

Taxpayer	Type of Business	Fiscal Year 2024			Fiscal Year 2015		
		Taxable Valuation	Rank	Percentage of Total Taxable Valuation	Taxable Valuation	Rank	Percentage of Total Taxable Valuation
Consumers Energy	Electric Utility	\$ 123,451,142	1	1.98%	\$ 62,619,018	1	1.42%
DTE Gas Company	Gas Utility	58,086,400	2	0.93%	20,221,249	8	0.46%
Amway Hotel Corporation	Hospitality	48,348,176	3	0.78%	36,873,411	3	0.84%
Spectrum Health	Healthcare	35,387,859	4	0.57%	18,883,839	9	0.43%
G&I X Centerpoint LLC	Retail Shopping Center	32,327,354	5	0.52%	22,164,300	6	0.50%
Steelcase Inc	Office systems design/ manufacturing	31,413,313	6	0.50%	18,115,047	10	0.41%
HP3 LLC	Lodging, dining, retail	28,744,804	7	0.46%	24,103,500	4	0.55%
Grip Medical Properties I LLC	Medical Office Building & Research	27,878,112	8	0.45%			
Brix Grand Rapids Holdings LLC	Real Estate	22,278,585	9	0.36%			
Michigan Christian Home	Retirement Home	21,712,098	10	0.35%			
Kellogg/ Keebler Company	Bakery Products				39,929,300	2	0.91%
Fifth Third Bank, Michigan	Banking / Real Estate				23,453,456	5	0.53%
Michigan Street Development	Medical Office Building Development				22,052,404	7	0.50%
		<u>\$ 429,627,843</u>		<u>0.07%</u>	<u>\$ 288,415,524</u>		<u>0.07%</u>

Note: The principal taxpayers and taxable values were determined from the July 1, 2024, and July 1, 2015, tax bills and include qualified real and personal properties exempted from ad valorem property taxes but subject to a specific Industrial Facilities Tax under Public Act 198 of 1974.

The percentage calculation is based on the Total Taxable Values of \$6,236,450,833 in 2023 and \$4,357,727,544 in 2014 on the ad valorem tax roll and property granted tax abatements.

* Keebler Company, a division of Kellogg USA, property was eligible through 2017 for property exemption under the Michigan Renaissance Zone Act, Public Act 376 of 1996.

City of Grand Rapids, Michigan

Computation of Direct and Overlapping Governmental Activities Debt (Unaudited)

June 30, 2024

Name of Governmental Unit	Gross	City Share as Percent of Gross	Net
Overlapping debt:			
Grand Rapids Public Schools	\$ 259,065,000	100.00%	\$ 259,065,000
Caledonia Community Schools	\$187,626,971	0.06%	112,576
Forest Hills Public Schools	\$116,070,000	2.38%	2,762,466
Godwin Heights Public Schools	\$19,925,000	8.96%	1,785,280
Kenowa Hills Public Schools	\$122,905,000	0.65%	798,883
Kentwood Public Schools	\$142,010,000	8.62%	12,241,262
Kent County	\$67,750,000	22.49%	15,236,975
Grand Rapids Community College	\$18,675,000	21.73%	4,058,078
Total overlapping debt	<u>\$ 934,026,971</u>		<u>\$ 296,060,520</u>
City direct debt			<u>145,355,158</u>
Total City direct and overlapping debt			<u>\$ 441,415,678</u>

Note: The City of Grand Rapids does not carry debt supported by special assessment billing and collections. The following statistical schedules are not relevant to the City of Grand Rapids and therefore have not been included in the statistical presentation:

- Special assessments billings and collections
- Computation of legal debt margin for special improvements

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Ratios of Outstanding Debt by Type (Unaudited)

Last Ten Fiscal Years
June 30, 2024

Fiscal Year	Governmental Activities							Total Governmental Activities
	General Bonded Debt			Other Debt				
	General Obligation Limited Tax Bonds	Percentage of Personal Income ²	Per Capita ¹	Revenue Bonds	State Loans	Leases	SBITAs	
2015	\$63,131,172	1.44	326	\$27,267,913	-	-	-	\$90,399,085
2016	89,536,548	2.23	459	25,917,111	-	-	-	115,453,659
2017	95,121,080	2.20	478	24,496,310	-	-	-	119,617,390
2018	69,183,773	1.60	348	22,995,508	-	-	-	92,179,281
2019	71,210,367	1.53	356	22,183,481	-	-	-	93,393,848
2020	65,608,041	1.31	332	20,112,680	-	-	-	85,720,721
2021	45,248,041	0.86	227	19,045,068	-	-	-	64,293,109
2022	52,327,373	0.998	265	16,018,260	-	48,488	-	68,394,121
2023	47,541,132	0.831	241	13,916,050	-	23,888	2,640,272	64,121,342
2024	132,656,729	2.08	675	11,748,840	-	74,612	874,977	145,355,158

Fiscal Year	Business-Type Activities						
	General Obligation Limited Tax Bonds	Revenue Bonds	Leases & SBITAs	Total Business-Type Activities	Total Primary Government	Percentage of Personal Income ²	Per Capita ¹
	2015	\$32,266,225	\$393,340,181	-	\$425,606,406	\$516,005,491	11.76
2016	32,126,772	381,577,159	-	413,703,931	529,157,590	12.30	2,750
2017	30,655,329	376,691,837	-	407,347,166	526,964,556	12.20	2,650
2018	30,336,807	415,259,149	-	445,595,956	537,775,237	12.45	2,705
2019	27,555,565	434,450,540	-	462,006,105	555,399,953	11.94	2,774
2020	25,956,520	490,811,032	-	516,767,552	602,488,273	12.06	2,997
2021	24,113,418	477,523,677	-	501,637,095	565,930,204	11.33	2,815
2022	22,935,028	449,178,638	2,690,387	474,804,053	543,198,174	10.36	2,752
2023	21,064,677	428,409,916	2,112,559	451,587,152	515,708,494	9.01	2,619
2024	19,144,324	420,704,927	4,525,579	444,374,830	589,729,988	9.27	3,000

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) Population Source: U.S. Census Bureau - American Fact Finder- City of Grand Rapids

(2) Income Source: U.S. Census Bureau - American Fact Finder - City of Grand Rapids

Legal Debt Margin Information (Unaudited)

Last Ten Fiscal Years
June 30, 2024

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt Limit	\$ 469,029,515	\$ 493,728,270	\$ 518,584,180	\$ 568,082,080	\$ 600,863,210	\$ 669,287,870	\$ 749,474,220	\$ 806,470,270	\$ 877,920,267	\$ 993,862,900
Total net debt applicable to limit	<u>154,636,585</u>	<u>174,316,401</u>	<u>177,217,841</u>	<u>144,338,519</u>	<u>137,831,956</u>	<u>121,161,614</u>	<u>89,856,259</u>	<u>87,280,964</u>	<u>78,943,199</u>	<u>152,194,999</u>
Legal debt margin	<u>\$ 314,392,930</u>	<u>\$ 319,411,869</u>	<u>\$ 341,366,339</u>	<u>\$ 423,743,561</u>	<u>\$ 463,031,254</u>	<u>\$ 548,126,256</u>	<u>\$ 659,617,961</u>	<u>\$ 719,189,306</u>	<u>\$ 798,977,068</u>	<u>\$ 841,667,901</u>
Total net debt applicable to the limit (as a percentage of debt limit)	32.97%	35.31%	34.17%	25.41%	22.94%	18.10%	11.99%	10.82%	8.99%	15.31%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed Value	\$ 9,777,992,700
Add back: exempt property	<u>160,636,300</u>
Total Assessed Value	9,938,629,000
Debt limit (10% of total AV)	993,862,900
Debt applicable to limit:	
Total debt outstanding	535,385,208
Less: exempt debt	<u>383,190,209</u>
Total net debt applicable to limit	<u>152,194,999</u>
Legal debt margin	<u>\$ 841,667,901</u>

Note: Under authority granted to the State Legislature, the Home Rule Cities Act limits the amount of debt a city may have to ten percent of total state equalized assessed property value. However, significant exceptions to the limitations are permitted for certain types of indebtedness which include: State transportation bonds, Water and Sewer revenue bonds, and Tax Increment Revenue Bonds. Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Pledged Revenue Coverage (Unaudited)

Last Ten Fiscal Years
June 30, 2024

Fiscal Year	Gross Revenue ¹	Direct Operating Expenses ²	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
<u>Water Supply System Fund:</u>							
2015	\$ 42,329,577	\$ 21,233,153	\$ 21,096,424	\$ 9,975,593	\$ 4,364,828	\$ 14,340,421	1.47
2016	44,354,200	24,195,366	20,158,834	10,520,000	4,207,769	14,727,769	1.37
2017	46,783,375	27,503,944	19,279,431	11,235,750	4,409,744	15,645,494	1.23
2018	49,579,416	24,307,415	25,272,001	6,575,000	3,915,535	10,490,535	2.41
2019	51,335,340	29,291,516	22,043,824	7,060,000	5,233,955	12,293,955	1.79
2020	51,668,051	28,367,378	23,300,673	3,775,000	5,649,846	9,424,846	2.47
2021	52,404,308	28,545,746	23,858,562	4,355,000	6,139,754	10,494,754	2.27
2022	53,200,453	27,514,934	25,685,519	4,560,000	5,952,217	10,512,217	2.44
2023	57,088,867	37,473,427	19,615,440	4,770,000	5,755,329	10,525,329	1.86
2024	64,360,275	35,931,474	28,428,801	5,647,500	5,739,627	11,387,127	2.50
<u>Sewage Disposal System Fund:</u>							
2015	\$ 52,306,225	\$ 22,549,030	\$ 29,757,195	\$ 7,464,372	\$ 12,571,402	\$ 20,035,774	1.49
2016	54,728,599	25,256,696	29,471,903	7,614,704	11,529,417	19,144,121	1.54
2017	54,599,465	28,365,449	26,234,016	7,730,000	11,625,970	19,355,970	1.36
2018	56,810,453	27,647,714	29,162,739	9,475,000	12,450,620	21,925,620	1.33
2019	60,801,802	31,090,579	29,711,223	8,935,000	12,977,195	21,912,195	1.36
2020	63,371,023	30,778,153	32,592,870	9,310,000	13,872,244	23,182,244	1.41
2021	61,680,756	31,998,573	29,682,183	11,175,000	13,591,619	24,766,619	1.20
2022	68,003,331	31,845,879	36,157,452	13,025,000	10,211,658	23,236,658	1.56
2023	70,387,939	34,051,696	36,336,243	13,935,000	9,732,525	23,667,525	1.54
2024	74,152,893	37,984,972	36,167,921	14,410,000	9,213,134	23,623,134	1.53

Note: (1) Gross revenue includes operating revenues, interest revenue and miscellaneous revenue. The Water Supply System Fund also includes transfers in from the Sewage Disposal System Fund for fiscal years 2015-2019. Fiscal year 2020 transfers are included in operating revenue.

(2) Operating expenses are total operating expenses less depreciation expense. The Sewer Disposal System Fund operating expenses also include transfers out to the Water Supply System Fund for fiscal years 2015-2019. Fiscal year 2020 transfers are included in operating expenses.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Demographic Statistics (Unaudited)

Last Ten Fiscal Years
June 30, 2024

Fiscal Year	Population ¹	Personal Income	Per Capita Income ²	Median Age ²	School Enrollment ³	Unemployment ⁴
2015	193,793	\$ 4,386,504,555	\$ 22,635	30.4	16,852	5.5
2016	195,099	4,007,723,658	20,542	32.1	16,692	4.2
2017	192,416	4,300,690,016	22,351	31.1	16,827	4.3
2018	198,829	4,320,554,170	21,730	31.1	16,587	4.7
2019	200,217	4,650,039,825	23,225	31.1	16,157	3.8
2020	201,013	4,995,575,076	24,852	31	15,313	8.1
2021	198,917	5,251,209,883	26,399	31.4	14,497	7.2
2022	197,416	5,242,579,296	26,556	31.2	14,352	5.0
2023	196,908	5,722,146,480	29,060	31.5	13,633	4.5
2024	196,608	6,364,397,568	32,371	33.1	13,689	3.9

Notes:

¹ 2015-2024: U.S. Census Bureau - American Fact Finder-City of Grand Rapids
2023-2024: U.S. Census Bureau Population Estimates- actual data not available due to COVID-19

² 2015-2024: U.S. Census Bureau - American Fact Finder-City of Grand Rapids

³ 2015: State of Michigan Center for Educational Performance and Information, Public Student Headcount Data
2015-2024: Michigan Student Data System (cepi.state.mi.us)

⁴ Michigan Department of Technology, Management & Budget: Labor Market Information (www.milmi.org) - City of Grand Rapids-average percent by fiscal year.

Principal Local Employers (Unaudited)

Current Year and Nine Years Previous
June 30, 2024

Employer	Type of Business	2024			2015		
		West Michigan Employees	Rank	Total City Employment	West Michigan Employees	Rank	Total City Employment
Corewell Health	Healthcare	25,000	1	21.1 %	19,100	1	16.2 %
Trinity Health Grand Rapids	Healthcare	8,500	2	7.2 %			0.0 %
Meritage Hospitality Group Inc	Food & Beverage	7,000	3	5.9 %			
Gordon Food Services Inc.	Wholesale/Distribution	5,000	4	4.2 %			0.0 %
Meijer Inc	Retailer	5,000	5	4.2 %	7,725	3	6.6 %
Gentex Corporation	Mfg- Computer/Electronic	4,500	6	3.8 %			0.0 %
Millerknoll	Mfg- Furniture	3,600	7	3.0 %			
Perrigo-HQ	Mfg- Chemicals	3,500	8	3.0 %			
Farmers Insurance Group	Insurance	3,500	9	3.0 %	0		0.0 %
Steelcase Inc	Mfg- Furniture	3,400	10	2.9 %	3,227	8	2.7 %
Axios Incorporated	Human resources and employment service				8,000	2	6.8 %
Grand Valley State University	Education				3,991	5	3.4 %
Johnson Controls	Automotive components				3,900	6	3.3 %
Spartan Stores Inc	Food distributor and retailer				3,608	7	3.1 %
Grand Rapids Public Schools	Education				2,907	9	2.5 %
Fifth Third Bank	Banking / Real estate				2,729	10	2.3 %
		<u>69,000</u>		<u>58.30%</u>	<u>55,187</u>		<u>46.90%</u>

Note: The above listed employers are selected from a list compiled by The Right Place, Inc. of self-reported employment by the largest employers in West Michigan. The complete list of employers is available at www.rightplace.org/data-center/workforce. As principal local employer information was not available for 2023 from the Right Place, Inc., the figures above reflect 2020 data.

Full-Time Equivalent City Government Employees by Department (Unaudited)

Last Ten Fiscal Years
June 30, 2024

Department	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assessor	14.2	14.2	13.9	15.2	15.2	15.2	15.2	15.2	15.2	15.0
Attorney	15.0	17.0	17.0	17.0	17.0	18.0	18.0	18.0	18.0	19.0
City Clerk	9.0	9.0	10.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Community Development	14.6	14.6	14.9	15.4	15.4	15.4	15.9	22.7	22.3	24.0
Comptroller	16.3	17.0	17.0	15.0	15.0	15.0	16.0	16.0	16.0	16.0
311 Customer Service	12.0	13.0	13.0	14.0	14.0	14.1	14.1	14.1	13.1	11.0
Dispatch	53.5	53.5	44.0	42.8	42.8	46.0	44.0	47.0	47.0	49.0
61st District Court ¹	85.8	87.3	92.0	92.0	93.0	90.0	94.0	89.0	91.0	85.0
Economic Development	1.2	1.2	1.2	2.2	2.2	2.2	2.4	2.2	2.4	9.0
Engineering	29.4	35.4	36.3	39.1	39.1	40.0	39.3	38.3	38.4	44.0
Environmental Services/Sewage	114.9	117.4	118.2	118.2	119.3	137.3	136.7	136.6	141.7	123.0
Equal Opportunity (Admin Services)	3.3	4.3	4.3	4.3	4.3	4.0	7.0	7.0	8.0	6.0
Executive	11.0	12.8	12.2	18.1	22.2	18.3	19.2	15.7	18.7	26.0
Facilities Management	12.1	12.1	13.7	13.6	13.6	14.6	14.6	14.9	14.9	16.0
Fire	189.5	198.5	198.0	199.0	198.8	199.3	199.3	199.3	199.3	223.0
Fiscal Services	9.5	9.5	9.5	11.3	9.3	8.8	9.8	13.0	14.0	20.0
Human Resources	15.0	19.4	20.2	20.2	20.2	20.8	20.8	20.8	21.6	23.0
Income Tax	14.2	15.2	15.2	16.2	16.2	17.2	17.2	17.2	17.2	17.0
Information Technology	3.4	4.4	3.3	3.3	2.3	3.3	2.3	2.2	2.1	2.0
Motor Equipment	33.7	34.7	33.3	33.4	33.4	34.7	33.8	32.4	32.4	31.0
Neighborhood Improvement (Building Inspections)	44.3	49.2	50.9	56.4	57.4	59.5	59.7	60.2	60.9	63.0
Parking Services	25.1	36.5	38.3	40.3	43.5	45.8	47.3	47.3	47.3	47.0
Parks and Recreation	27.2	31.2	35.2	36.9	37.1	41.6	38.8	41.1	43.6	49.0
Planning	12.3	14.3	13.9	13.4	11.0	13.7	13.4	13.2	13.0	15.0
Police	369.5	321.0	320.0	325.0	325.0	334.0	335.0	328.0	330.0	339.0
Public Library ¹	149.0	150.0	152.0	153.0	156.5	156.5	157.0	159.0	163.0	160.0
Streets & Sanitation	63.8	73.5	75.5	77.4	76.9	123.5	123.5	84.1	87.5	85.0
Traffic Safety	36.4	38.4	37.7	38.1	37.5	23.8	22.7	22.7	22.7	24.0
Treasurer	18.0	18.0	18.0	17.0	17.0	17.0	18.0	18.0	16.0	17.0
Water	128.0	110.3	112.1	112.1	115.0	117.0	117.1	117.0	116.7	134.0
Seasonal and Other FTEs ¹	80.0	97.0	114.2	112.0	116.6	64.3	74.6	83.9	95.0	86.9
	1,611	1,629	1,655	1,682	1,698	1,721	1,738	1,707	1,740	1,790

Note: Information provided by the list of authorized positions in the City's Annual Fiscal Plan.
(1) Part- time positions for Library and District Court are included within the respective departments.

Function/Program ¹	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Archives										
Requests ²	1,300	1,340	1,728	1,501	1,835	3,488	1,410	2,181	1,970	1,790
Boxes Stored ⁵	14,147	14,147	14,147	14,147	14,147	-	18,883	341	18,268	18,673
Cubic Feet of Records Stored ⁵	-	-	-	-	-	17,102	21,122	335	21,589	22,089
Clerk										
Voters in November Election										
Public Safety	49,153	20,085	85,483	16,114	77,286	28,625	98,095	15,079	77,711	22,867
Fire										
Total Calls ²	21,885	22,256	23,166	24,020	22,395	24,124	23,120	24,543	24,958	25,908
Civilian Fire Deaths ²	2	1	2	3	3	2	9	1	1	2
Police										
Major Crimes ²	6,948	6,288	5,760	5,432	5,405	5,121	5,503	3,852	5,435	5,415
Physical Arrests ²	14,477	14,756	15,142	13,174	13,094	10,869	4,612	5,105	4,279	6,429
Public Works										
Refuse										
Tons of Refuse Picked Up	24,613	26,305	26,683	28,154	31,873	35,708	36,745	36,909	36,007	36,850
Tons of Recycling Removed	10,647	10,118	10,042	9,852	7,244	6,501	8,171	7,573	7,817	7,436
Culture and Recreation										
Parks and Recreation										
Open Swim Participants	51,515	52,432	51,663	39,709	46,585	31,564	8,249	49,515	40,902	40,646
Swimming Lesson Participants	537	357	345	413	388	223	132	952	1,008	929
Softball League Teams	120	104	95	86	87	34	41	21	-	-
Public Library										
Library Card Holders	70,079	69,481	66,966	66,799	66,073	70,855	64,247	45,654	46,594	52,547
Total User Count	912,354	782,899	747,582	683,574	697,626	450,502	92,686	310,520	423,829	495,245
Local History Collection Users	36,356	35,663	35,524	34,819	40,138	25,127	4,879	ni/a ⁶	20,077	28,503
Total Circulation of Materials	1,604,614	1,598,076	1,372,104	1,407,132	1,423,581	1,171,695	961,739	1,207,512	1,299,371	1,389,275
Urban and Community Development										
Building Permits Issued	2,552	2,662	2,900	2,884	2,938	2,640	2,529	2,893	2,568	2,700
Construction Value	\$ 245,710,000	\$ 459,870,000	\$ 411,570,000	\$ 497,580,000	\$ 495,340,000	\$ 437,700,000	\$ 572,912,000	\$ 502,075,000	\$ 445,857,366	\$ 543,080,360
Business-Type Activities										
Cemeteries										
Burials	436	394	408	378	366	385	466	460	380	252
Parking System										
Event and Visitor Parking	1,090,636	1,108,270	1,108,799	1,437,848	1,630,032	1,176,953	570,974	1,232,169	1,413,869	1,148,440
Sewage Disposal System										
Number of Retail Customers	74,415	74,628	74,805	75,052	75,241	75,524	75,728	75,955	76,177	76,444
New Connections	330	303	259	282	306	288	328	297	292	365
Billions of Gallons Treated ³	14.753	18.819	15.367	14.705	16.005	16.968	12,844.000	14.294	14.982	14.702
Peak Daily Flow (millions of gal.)	87.65	76.30	80.10	88.30	80.00	87.70	85.70	73.20	87.80	78.10
Average Daily Flow (millions of gal.)	40.53	40.60	42.10	40.37	43.89	46.33	35.18	39.17	41.09	40.17
Water Supply System										
Number of Retail Customers ⁴	82,163	83,340	85,103	86,418	79,875	80,242	80,504	80,787	81,188	81,655
New Connections	326	315	273	305	389	310	315	273	414	488
Billions of Gallons Produced	12.364	12.623	12.565	13.525	12.911	12.735	13.381	13.365	13.651	12.899
Peak Daily Flow (millions of gal.)	63.02	64.02	69.77	66.39	77.14	63.14	75.10	68.80	70.20	64.52
Average Daily Flow (millions of gal.)	33.84	34.68	34.39	37.01	35.31	34.77	36.60	36.60	37.40	35.22

- Notes:**
- (1) Information provided by the responsible departments.
 - (2) Calendar information for the previous calendar year.
 - (3) Effective FY14, number of gallons treated changed to fiscal year
 - (4) In FY 2019, customers adjusted due to updated meter count.
 - (5) In FY20, we determined cubic feet of records stored as a more accurate metric to track activity in our Archives program as opposed to boxes stored.
 - (6) In FY22, GRPL experienced equipment failure and the data for local history collection users was lost
 - (7) After FY21 The State of Michigan (MICR) and the federal government (NIBRS) changed their reporting methodology to eliminate UCR Part I (major) and Part II (minor) crime distinctions. The FY2022 figure includes 2021 Crimes Against Person, per Captain Collard's recommendation.

Capital Asset Statistics by Function/Program (Unaudited)

Last Ten Fiscal Years
June 30, 2024

<u>Function/Program</u> ¹	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Public Safety										
Fire stations	11	11	11	11	11	11	11	11	11	11
Public Works										
Streetlights	20,178	19,307	18,539	18,037	18,037	18,037	18,037	18,037	18,037	18,037
Streets										
Miles of paved streets- major	206	206	206	206	211	207	211	211	211	211
Miles of paved streets- local	387	387	387	387	393	387	394	394	394	394
Culture and Recreation										
Parks and Recreation										
Number of major parks	71	71	71	71	71	71	71	74	74	74
Number of swimming pools	9	3	3	3	3	3	3	3	3	3
Number of ball diamonds	74	74	74	74	74	74	74	74	74	74
Supervised playgrounds	0	0	1	1	1	0	4	4	4	4
Public Library										
Number of Libraries	8	8	8	8	8	8	8	8	8	8
Business-type Activities										
Parking System										
Parking garages	8	8	8	8	8	8	8	8	8	8
DASH buses	8	8	10	10	10	14	14	14	14	14
Sewage Disposal System										
Miles of sanitary sewers	910	913	913	915	920	921	925	928	931	936
Water Supply System										
Miles of water mains	1,167	1,169	1,175	1,178	1,185	1,187	1,188	1,192	1,194	1,196

Note: (1) Information is provided by the responsible departments

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